



DCMA Manual 2601-01 Negotiation Intelligence Procedures

Office of Primary Responsibility	Negotiation Intelligence and Cost Evaluation Capability Board
Effective:	December 9, 2024
Releasability:	Cleared for public release
Implements:	DCMA Instruction 2601, “Negotiation Intelligence and Cost Evaluation,” May 17, 2024
Incorporates and Cancels:	DCMA-MAN 2401-01, “Negotiation Intelligence Procedures,” December 19, 2018, as amended
Internal Control Plan:	Linked on the Resource Page for this Issuance
Labor Codes:	Located on the Resource Page
Resource Page Link:	https://dod365.sharepoint-mil.us/sites/DCMA-BCF-Negotiation_Intelligence/SitePages/NI-Resource-Pages.aspx
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Purpose: This issuance, in accordance with the authority in DoD Directive 5105.64:

- Implements policy established in DCMA Instruction 2601, “Negotiation Intelligence and Cost Evaluation.”
- Provides and defines procedures for Negotiation Intelligence.

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SECTION 1: GENERAL ISSUANCE INFORMATION

1.1. APPLICABILITY.

This issuance applies to all DCMA activities unless higher-level regulations, policy, guidance, or agreements take precedence.

1.2. POLICY.

It is DCMA policy to:

a. Equip the buying commands with actionable acquisition insight that leads to and supports best value decisions on current contracts and procurement negotiations and determine and track return on investment related to such efforts.

b. Provide quality and timely field pricing, negotiation, preaward survey (PAS), and early acquisition engagement (EAE) support to the DoD and non-DoD Federal agencies and departments, and other DCMA activities in order to ensure fair and reasonable contract prices.

c. Provide quality and timely pricing and negotiation support for the definitization of unpriced contract actions (e.g., undefinitized contract action (UCA)), unpriced change order, unpriced purchase order).

d. Provide quality and timely technical pricing support, to include Technical Support to Negotiations (TSN) and support for Commercial Product and Service Determinations.

e. Provide PAS, pricing and/or TSN support for direct commercial sales (DCS) requests.

f. Execute DCMA activities in an efficient, effective, safe, and ethical manner.

1.3. SUMMARY OF CHANGES.

This manual was changed to update the policies and procedures for EAE in Section 8 and to incorporate the changes due to the publication of DCMA Manual (DCMA-MAN) 4501-01, "Agency Issuance Program." Significant changes include:

- Clarified DCMA's commitment to provide acquisition insight in support of acquisition planning.
- Updated responsibilities related to the performance of EAE.
- Updated references to align with new DCMA Instruction 2601.
- Included information related to DCS.
- Modified the process for identifying the cognizant pricing team lead.

SECTION 2: RESPONSIBILITIES

2.1. EXECUTIVE DIRECTOR, CONTRACTS.

The Executive Director will assign a Contracts Executive Directorate, DCMA-AQ, point of contact (AQ POC) to comply with the requirements identified in Defense Federal Acquisition Regulation Supplement (DFARS) 217.7405, “Plans and reports.”

2.2. DIRECTOR, PRICING DIVISION, COST AND PRICING COMMAND (CPC).

The Pricing Division Director will:

- a. Coordinate proposal pricing support for the CPC.
- b. Participate in EAE and preaward discussions with DoD customers when establishing cost and pricing analysis strategies.
- c. Serve as the decision authority for adjudicating pricing issues related to contractor-initiated requests.

2.3. DIRECTOR, COMMERCIAL ITEM GROUP (CIG), CPC.

The CIG Director will:

- a. Establish a team to work closely with DoD customers to analyze commercial products and services while minimizing workload redundancy.
- b. Facilitate working relationships within DCMA to support Commercial Product and Service reviews.
- c. Establish thresholds for accepting requests for Commercial Product and Service reviews.
- d. Facilitate communication between the CIG and DoD customers early in the procurement cycle to help identify Commercial Product and Service solutions for DoD programs.

2.4. CONTRACT MANAGEMENT OFFICE (CMO) CONTRACTS DIRECTOR AND ENGINEERING AND MANUFACTURING GROUP CHIEF (EMGC).

The CMO Contracts Director and EMGC will:

- a. Designate a TSN Coordinator(s) (EMGC only).
- b. Ensure reportable UCAs are submitted in accordance with (IAW) Paragraph 5.3. (Contracts Director only).

c. Assign a preaward survey manager (PASM) and alternate IAW Paragraph 9.1.b.3.(b), if required of this manual.

2.5. SUPERVISOR, LEAD, OR PASM.

The Supervisor, Lead, or PASM (Contracts, Pricing, and/or Technical) will:

- a. Manage the pricing, technical, and/or preaward workload of assigned individuals.
- b. Review and approve pricing, technical, and/or preaward reports and supporting documentation prior to release to requestor. Review and ensure integrity of data in agency authorized capabilities.
- c. Review and provide written concurrence or non-concurrence on pre-negotiation objectives memorandum (PNOM), price negotiation memorandum (PNM), and supporting documentation.
- d. Assign individual(s) based on customer request or supervisor direction.
- e. Approve or deny extension and cancellation requests.

2.6. TSN COORDINATOR.

The TSN Coordinator will:

- a. Perform initial review of request.
- b. Confirm receipt of request.
- c. Track request providing oversight of established timelines.

2.7. ASSIGNED INDIVIDUAL.

The assigned individual will perform negotiation intelligence (NI) tasks as described in this manual. An assigned individual may be an administrative contracting officer (ACO), price/cost analyst (PCA), contract specialist, contract administrator, financial analyst, or technical specialist (engineer, software, industrial specialist, or quality assurance representative).

2.8. CMO PASM.

The CMO PASM or alternate receives and manages PAS process requests.

2.9. FINANCIAL CAPABILITY TEAM (FCT) PASM.

The FCT PASM or alternate receives and manages PAS process requests related to Financial Capability.

2.10. ACO.

The ACO will:

- a. Determine if contractor-initiated requests (as described in Paragraph 4.2.d.) will serve a valid Government interest.
- b. Establish the pre-negotiation objectives (PNO) and document them in a PNOM.
- c. Document the results of the negotiation in the PNM.
- d. Modify the contract, when delegated, with the results of the negotiations.

2.11. COMMERCIAL DETERMINATION ADMINISTRATIVE CONTRACTING OFFICER (CD-ACO).

The CD-ACOs will make Commercial Product and Service determinations when requested from a buying command or Procuring Contracting Officer (PCO).

2.12. EAE LEAD.

Upon receipt of a request, the EAE Lead will:

- a. Lead the DCMA efforts to support customers with acquisition insight during the acquisition planning, strategy, or solicitation development phase.
- b. Confirm that requests are EAE and not another type of contract administration service.
- c. Enter EAE requests in the EAE tracker and update the tracker throughout performance of the EAE support.
- d. Champion EAE efforts on behalf of DCMA. Discuss EAE requests with the requestor, coordinate with owners of the information, and provide the information to the requestor in the agreed-to format.
- e. Follow up with the requestor to gather feedback.

2.13. GROUP DIRECTORS, PRICING DIVISION, CPC.

The Pricing Division Group Directors will:

- a. Coordinate pricing support for the Group.
- b. Decline pricing requests that are not mission work.

c. Serve as the approval authority for cancellations of pricing requests without customer concurrence.

SECTION 3: GENERAL PROVISIONS

3.1. GENERAL INFORMATION.

This manual:

- a. Identifies the types of NI supporting the negotiation of prices DCMA provides to Federal agencies, other Defense agencies, and to other DCMA activities.
- b. Prescribes the NI processes for implementing higher level requirements such as Federal laws, Federal regulations, DoD regulations, and DoD guidance with respect to NI.
- c. Prescribes the NI processes for DCMA-level requirements not prescribed in higher-level requirements such as report format, report review, and report approval.

3.2. TYPES OF NI SUPPORT.

Sections 4 through 9 are the different types of support covered in this manual. The following paragraphs list the section number, title, and brief description of the manual contents for each section.

- a. Section 4, “Field Pricing Assistance,” prescribes the DCMA processes for performing field pricing at both the prime and subcontract level. It includes performing proposal review and analysis, documentation requirements, and report formatting and approvals.
- b. Section 5, “Delegated ACO Negotiations,” prescribes the DCMA processes for DCMA ACO negotiation support actions. It includes the pre-negotiation, negotiation, post-negotiation, internal review and concurrence activities, documentation requirements and report formatting and approvals.
- c. Section 6, “TSNs,” prescribes the DCMA processes for receiving, documenting, and performing technical analysis. It includes proposal review, areas of analysis, documentation requirements, and report formatting and approvals.
- d. Section 7, “Commercial Product and Service Support,” prescribes the DCMA processes for performing commerciality determinations and pricing support at both the prime and subcontractor level. It includes performing commercial evaluations, commerciality reports, documentation requirements, and report formatting and approvals.
- e. Section 8, “EAE,” prescribes the DCMA procedures for activities performed to support customers with acquisition insight during the acquisition planning, strategy, or solicitation development phase.
- f. Section 9, “PAS,” prescribes the DCMA processes for receiving, documenting, and performing PAS requests. It includes processes associated with managing requests for Qualified Suppliers List (QSL), Qualified Products List (QPL), Qualified Manufacturers List (QML),

Qualified Bidders List (QBL) verification and/or validations, and report formatting and approvals.

3.3. PROTECTING CONTROLLED UNCLASSIFIED INFORMATION (CUI).

Protecting information is critical and integral when conducting the processes associated with this manual. DCMA personnel are responsible for marking and protecting CUI entrusted to them. These procedures vary based on the type, access, and nature of the material involved. Refer to the DCMA-MAN 3301-08, "Information Security," for guidance on the marking, control, transmission, destruction, and storage of such material.

3.4. DELEGATION OF RESPONSIBILITIES.

The individuals holding the positions listed in Section 2 of this manual may delegate their responsibilities unless expressly prohibited by this manual, another DCMA Instruction, higher-level guidance, regulations, or statute. The individual delegated the responsibility does not have the authority to further delegate the responsibility.

3.5. RECORDS MANAGEMENT.

Records Management requirements (including record file plans) associated with this document are located on the Resource Page of this manual (hereafter referred to as the Resource Page).

3.6. DATA INTEGRITY.

The assigned individual is responsible for the data entry of required fields in the appropriate agency authorized capability, and the supervisor or lead is responsible for reviewing the data to ensure that it is accurate.

3.7. SUPPORTING DCS.

All preaward survey, pricing, and TSN requests made by a foreign government or international organization that is contracting directly with a U.S. supplier must be received and processed by the DoD Central Control Point (DoDCCP) IAW DFARS 242.002, "Interagency Agreements" and DCMA-MAN 4301-12, "Reimbursable Programs." If an office receives a request directly from a foreign government or international organization that is contracting directly with a U.S. supplier, the recipient must forward the request to the DoDCCP. The inbox for the DoDCCP can be found on the Section 4 Resource Page. For proper charging guidance, employees will follow the process in DCMA-MAN 4301-12 to ensure the proper charging of time.

SECTION 4: FIELD PRICING ASSISTANCE

4.1. OVERVIEW.

a. Section 4 provides the process for DCMA field pricing assistance using the guidance found in Subpart 15.4 of the Federal Acquisition Regulation (FAR) and Subpart 215.4 of the DFARS, “Contract Pricing.”

b. This Section of the manual covers the following types of field pricing assistance.

(1) Proposal Pricing.

Proposal pricing is the process of evaluating all or part of a contractor’s pricing proposal.

(2) Rate Check.

A rate check consists of providing information from a current forward pricing rate agreement (FPRA), forward pricing rate recommendation (FPRR), Defense Contract Audit Agency (DCAA) audit, or a recently performed DCMA rate analysis. A rate check may also include simple recalculation of the proposal using the available rates, if requested.

c. Descriptions of the positions referenced in Section 4 are defined below.

(1) Pricing Lead.

The pricing lead is the individual with supervisory or non-supervisory oversight of the assigned individual’s pricing workload.

(2) Pricing Case Point of Contact (POC).

The pricing case POC is the assigned individual.

4.2. RECEIVING FIELD PRICING ASSISTANCE REQUESTS.

a. Determine Cognizant Team.

The pricing lead that receives a request for field pricing assistance must identify the cognizant pricing team.

(1) If the receiving pricing team is not the cognizant pricing team, the pricing lead must forward the request to the cognizant pricing team. The pricing lead should use the guidance on the Resource Page for identifying the cognizant pricing team.

(2) For proposals that involve more than one of the contractor’s segments (i.e., one preparing the proposal, one performing any resulting contract), the cognizant pricing team is determined by the Commercial and Government Entity (CAGE) code of the segment submitting

the proposal. The cognizant pricing team should coordinate with the other segments for pricing and technical assistance. The cognizant pricing team is responsible for coordinating with the customer for the final report(s) format.

b. Identify the Type of Request.

(1) Proposal Pricing.

Proposal pricing is the process of evaluating a contractor's proposal, in whole or in part.

(2) Proposal Pricing for Foreign Contractor Requests.

If proposal pricing is needed for a contractor located outside the continental United States, the pricing case POC must follow the requirements in the "DCMA Foreign Contractors Pricing and Assist Audit Information" located on the Resource Page. The cognizant DCMA International CMO must initiate requests for field pricing assistance and assist audits made to foreign nation audit agencies, which is known as a Host Nation request.

(3) Rate Check.

A rate check consists of providing information from a current FPRA, FPRR, DCAA audit, or a recently performed DCMA rate analysis. A rate check may also include simple recalculation of the proposal using the available rates, if requested. A rate check does not involve the evaluation of a proposal (proposal pricing) or the components of a rate (pool and base). A rate check is not subject to the requirements in Paragraphs 4.3. through 4.7. If analysis of a rate is required, it is considered proposal pricing as defined in Paragraph 4.1.b.(1).

(4) TSN Only.

If the request is for a technical evaluation only with no field pricing assistance requested, the pricing lead will forward the case to the TSN Coordinator and notify the requestor. Do not set up a pricing case in the agency authorized capability. Refer to Section 6.

(5) Commercial Product and Service Support.

If the request includes evaluation of commercial pricing and/or commerciality, refer to Section 7.

(6) Other Transaction (OT) Support.

Buying Commands might use an OT as the contract type for their acquisitions using Sections 4021 and 4022 of Title 10, United States Code (U.S.C.). OTs are largely exempt from FAR and DFARS. If the request is for the review of an OT proposal, the pricing case POC should perform an analysis of the proposal using the techniques in Section 4 of this manual to the greatest extent practicable but cannot require the contractor to adhere to the requirements in the FAR and DFARS. The Government must determine that the price of the OT is reasonable, and

the pricing case POC should provide assistance to the requestor to develop a fair and reasonable price. The preferred method of evaluation for OTs is price analysis, refer to DCMA-MAN 2501-08, “Grants, Cooperative Agreements, and Other Transactions.”

(7) Grant and Cooperative Agreement Support.

Grants and agreements officers may request that DCMA, as the Grants Administration Office, assist with evaluation of the budget proposal and cost reasonableness of grants and cooperative agreements. The evaluation should be performed in IAW the process identified in Section 4 of this manual, as adapted to meet the Government-wide grants and agreements regulations Part 200 of Title 2 Code of Federal Regulations, and the DoD Grants and Agreements Regulation Subtitle A Chapter 1, Subchapter C of Title 32 Code of Federal Regulations, rather than the FAR and DFARS. Refer to DCMA-MAN 2501-08.

(8) DCS.

A DCS is where eligible foreign governments or international organizations may contract directly with U.S. suppliers for the purchase of defense articles. DCS activities may be reimbursable IAW reimbursable agreements and are subject to the requirements found in DCMA-MAN 4301-12 and DCMA-MAN 2501-11, “International Requests for Contract Administration Services.”

c. Identify the Source of Request and Perform Workload Acceptance.

Requests for contractor or subcontractor field pricing assistance may come from an internal (DCMA) requestor, an external (non-DCMA Government or Foreign Government) requestor, or a contractor. All requests must be in writing. The pricing lead will perform pricing request acceptance using the guidance on the Resource Page and DCMA-MAN 4502-02, “Workload Acceptance.”

(1) Internal Requests.

DCMA requestors must submit requests for field pricing assistance through the agency authorized capability, identified on the Resource Page. The requestor must also send a request package to the cognizant pricing team. The request package must include a copy of the proposal and any pertinent items received. The pricing teams should discuss the best way to transmit the request package (e.g., email, other file exchange medium). If the cognizant pricing team identifies that pertinent documentation is missing, the pricing case POC will request the missing documentation. In situations where the information is not provided, the pricing lead will determine how to resolve this issue on a case-by-case basis.

(2) External Government Requests.

DCMA employees should instruct non-DCMA requestors (e.g., other Defense Agencies, Federal agencies) to submit requests for field pricing assistance by following the guidance found

on the DCMA public website. A subcontractor's cognizant CMO may receive requests for subcontractor assistance directly from non-DCMA requestors.

(3) Contractor-Initiated Requests.

A contractor (prime contractor or higher-tier subcontractor) may request DCMA field pricing assistance if denied access to the subcontractor's records. The contractor must submit the request for assistance to their cognizant ACO or pricing team, not directly to the subcontractor's cognizant ACO or pricing team. If received directly, the subcontractor's cognizant ACO or pricing team must forward the request to the contractor's cognizant pricing team for action.

(4) Foreign Government Requests for DCS.

DCS requests must be sent by the Foreign requestor to the DoDCCP International Contract Services Manager, IAW DFARS 242.002. The DoDCCP International Contract Services Manager will send the request to the pricing lead on behalf of a Foreign government or international organization requestor. The request must contain a Release Letter from the company authorizing the report to be provided to the Foreign government or international organization.

d. Process Contractor-Initiated Requests.

(1) Prime contractors or higher tier subcontractors are responsible to conduct price or cost analysis on their subcontractor proposals, to determine the reasonableness of the proposed prices IAW FAR 15.404-3. When the contractor or higher-tier subcontractor has been denied access to a subcontractor's records, the contractor or higher-tier subcontractor may request assistance from DCMA in the evaluation of the subcontractor. Under these circumstances the contracting officer or the ACO should consider whether providing audit or field pricing assistance will serve a valid Government interest IAW DFARS Procedures, Guidance, and Information (PGI) 215.404-3, Subcontract pricing considerations. The contractor must submit their request for assistance in writing to their cognizant ACO or pricing team. The request must include the following items:

- (a) The written notification from the subcontractor denying the contractor access to some or all of its records needed to analyze the subcontractor's proposal.
- (b) A copy of the proposal, and other relevant documents, received from the subcontractor along with a subcontractor POC. The value of the proposal being reviewed must be identified.
- (c) The CAGE code and basic subcontract proposal information (e.g., solicitation or contract number).
- (d) The contractor's request for proposal (RFP) issued to the subcontractor.

(2) The PCO or cognizant ACO must determine if fulfilling the request will serve a valid Government interest. While the pricing team can provide guidance to assist in the decision, the determination must be performed by a contracting officer (PCO or ACO) and cannot be delegated. The determination and rationale must be documented. The following information, provided by the requesting contractor or obtained elsewhere, should be considered before the determination is made:

(a) Impact on a Government prime contract.

(b) The actions taken by the contractor to analyze the subcontractor's proposal.

(3) The cognizant pricing team must provide a written response to the contractor either accepting or rejecting their request.

(4) Upon acceptance of the request, the cognizant pricing team of the requesting contractor must submit a subcontractor assistance request to the cognizant pricing team of the subcontractor via the agency authorized capability and provide the subcontractor's cognizant pricing team with a subcontractor assistance request package. The request package must include all items received from the requesting contractor, the determination and rationale that the requested pricing assistance serves a valid Government interest, and the written acceptance provided to the requesting contractor. The pricing teams should discuss the best way to transmit the request package (e.g., the agency authorized capability, email, other file exchange medium).

(5) Upon receipt of a request that a contracting officer has determined will serve a valid Government interest, and a denial of access from a subcontractor, the subcontractor's cognizant pricing team must perform the request. If the subcontractor's cognizant pricing team disagrees with any aspect of the request and is unable to resolve the issue with the requestor, the pricing team must elevate the issue within their chain of command and to the CPC Pricing Division Director for final decision.

e. Coordinate Resources and Expertise.

Upon receipt of a request for field pricing assistance, the cognizant pricing team should take all available actions to meet the needs of the requestor to the maximum extent possible. The pricing team must not reject a request due to the lack of resources or expertise without elevating the request by following the procedures on the Resource Page.

f. Create the Pricing Case.

The pricing lead of the cognizant pricing team will create the pricing case by entering the request into the agency authorized capability. Requests received via the agency authorized capability accomplish this step. The pricing lead may delegate this task to a pricing case POC under their oversight.

g. Assign the Pricing Case.

The pricing lead has the responsibility of assigning pricing cases.

h. Confirm Receipt of Request.

The pricing case POC must notify the requestor of the receipt of the request in writing.

4.3. REVIEWING PROPOSAL.

a. Initiating the Pricing Case.

The pricing case POC initiates field pricing assistance with the following actions:

(1) Establish a Case File.

The pricing case POC must store correspondence and documents associated with the pricing case in the case file. The pricing case POC must appropriately mark all applicable correspondence and documents. Documents should be marked as described in Paragraph 3.3.

(2) Conduct Preliminary Proposal Review.

The pricing case POC must review the extent of the field pricing assistance requested. The extent of assistance requested may range from one to all of the cost elements in the proposal. The pricing case POC should review the entire proposal to the maximum extent practicable regardless of the scope of the request to obtain general knowledge about the request and the proposed effort.

(3) Verify Certified Cost or Pricing Data Requirements.

The pricing case POC must review the proposal or RFP to verify if the proposal will be subject to certified cost or pricing data, or if an exception or waiver is in place, IAW FAR 15.403, "Obtaining certified cost or pricing data." Annotate in the agency authorized capability if the proposal requires the submission of certified cost or pricing data.

(4) Conduct Proposal Adequacy Review.

(a) The pricing case POC must perform a proposal adequacy review for field pricing assistance prior to acknowledging the case. Perform the proposal adequacy review commensurate with the scope of the requested assistance (e.g., entire proposal, selected cost elements).

(b) If the requestor or contractor performs a proposal adequacy review prior to requesting DCMA assistance, the pricing case POC must still perform the proposal adequacy review. However, the pricing case POC should consider the previous review to facilitate their review.

(c) The pricing case POC must document the proposal adequacy review using the Proposal Adequacy Checklist located on the Resource Page.

1. If a section of the checklist does not apply to the proposal, fill it out to the maximum extent practicable or mark it as NA (not applicable).

2. If there is no requirement for certified cost or pricing data, the contractor may not need to meet all the requirements of this checklist, but DCMA will use it as applicable for the proposal adequacy review.

3. Inadequacies found during the review must be documented on the checklist.

(d) The pricing case POC should notify the cognizant ACO, requestor, and contractor (as appropriate) of inadequacies in the proposal.

(e) After completion of the adequacy review, the pricing case POC must determine if the data provided in the proposal is sufficient to begin the requested field pricing assistance. If the data is insufficient to begin the requested assistance, the proposal may be considered deficient, as defined at FAR 15.404-2(d).

(f) For a deficient proposal, the pricing case POC must perform the following steps:

1. Notify the cognizant ACO of the proposal inadequacies for business system considerations.

2. Notify the requestor of the proposal inadequacies.

3. Contact the contractor to resolve inadequacies preventing the proposal pricing analysis unless otherwise directed by the requestor.

4. Review the contractor responses and determine if the information is sufficient to perform the proposal pricing analysis.

5. If the contractor does not provide the required information, discuss the inadequacies with the requestor and the pricing lead. Request their decision on whether to cancel or proceed with the review with incomplete information utilizing alternative evaluation techniques. If needed, follow the cancellation procedure as outlined in Paragraph 4.3.d.

(g) The pricing case POC must document the results of the proposal adequacy review and actions taken to resolve inadequacies in the case file and the “Cost and Pricing Analysis Report” (hereafter referred to as “pricing report”).

(5) Risk Assessment, Scope Determination, and Analysis Strategy.

The pricing case POC must perform a risk assessment and determine the scope of the review using either the template located on the Resource Page or a similar local template which

includes the same general information. The pricing case POC must develop a plan for reviewing each cost element and/or service requested. The pricing case POC should engage the requestor as needed during the risk assessment and scope determination process as the results will affect how the pricing case POC develops the analysis strategy and establishes an estimated completion date.

(a) The risk assessment can identify possible issues that could affect the performance of the requested field pricing assistance. Document all risk assessment actions taken including the impact on the analysis. As part of the risk assessment, the pricing case POC:

1. Must identify the status of the contractor's business systems and consider any outstanding deficiencies.

2. Must identify if the contractor is required to have a Disclosure Statement, if the contractor has any Cost Accounting Standards non-compliances, and the proposal's Cost Accounting Standards coverage requirement.

3. Must consider the impact from any proposal deficiencies identified while performing the proposal adequacy review.

4. Should contact the cognizant ACO to discuss any relevant issues concerning the contractor. This includes the existence of a valid FPRA or FPRR.

5. Should contact the cognizant DCAA office to identify and discuss any ongoing or pending contractor audits or any other relevant issues.

(b) The scope determination will establish the extent of the field pricing assistance provided, the proposal analysis techniques to apply, the strategic approach, and the need for any additional assistance (e.g., DCAA audit assistance, technical assistance, subcontractor field pricing assistance).

1. As a part of the scope determination, the pricing case POC will determine the extent of the Field Pricing Assistance. The pricing case may involve the analysis of an entire proposal or selected cost elements in the proposal. The requestor may also specify which Contract Line Item Numbers (CLINs), years, or options to review. If the request is not clear, the pricing case POC should contact the requestor for clarification.

2. The pricing case POC may refine the scope with the requestor and discuss the inclusion or exclusion of any cost element (including profit) into or from the review, whether or not the cost element is included in the request. If there is a need for a bottom-line price recommendation (e.g., for a sanitized report or based on a specific request), the pricing case POC should consider if the proposed profit rate should be included in the scope of the review.

3. The pricing case POC should consider which proposal analysis techniques to utilize in the evaluation of the proposal. FAR 15.404-1, DFARS 215.404-1, and DFARS PGI

215.404-1, Proposal analysis techniques list and explain several proposal analysis techniques. Cost analysis, price analysis, and technical analysis are the most commonly used techniques.

4. The pricing case POC determines the need for additional assistance. The pricing case POC must submit requests for assistance in writing. The pricing case POC must contact the provider of the assistance to discuss the scope of the assistance, coordinate a completion date, and obtain a written acknowledgement from the provider. Include all the correspondence associated with the request in the case file. Additional assistance includes, but is not limited to that in the following:

a. The pricing case POC should consider the need for DCAA audit assistance IAW the thresholds in DFARS PGI 215.404-2(c). If DCAA is unable to support the request, the pricing case POC must consider this in the analysis strategy.

b. The pricing case POC determines if technical assistance is required to conduct the analysis. The pricing case POC must submit requests for technical assistance through the agency authorized capability. The pricing case POC should attach the proposal and any other supporting documentation (e.g., RFP, statement of work (SOW), or statement of objectives (SOO), work breakdown structure (WBS)) necessary to the request for technical assistance.

c. The pricing case POC determines the need for subcontractor field pricing assistance. The pricing case POC must submit requests for subcontractor field pricing assistance through the agency authorized capability.

d. The pricing case POC may request assistance for subcontractor products or services that a contractor is asserting as a Commercial Product or Service. All Commercial Product or Service support assistance requests will be sent to the CIG via the CIG inbox on the Resource Page. The CIG Pricing or Engineering Lead will determine who should perform the work using the guidelines in Section 7.

b. Pre-acknowledgement Coordination.

The pricing case POC should discuss the results of the proposal adequacy review, risk assessment, scope determination, and determination of need for any additional assistance with the requestor prior to acknowledgement. The pricing case POC and requestor should discuss if the scope should be changed and if the requested due date is realistic or should be modified. If the pricing case POC can meet the requested scope of requirements and the due date, pre-acknowledgement coordination may not be necessary.

(1) If the requestor agrees to the scope of the review and the DCMA estimated due date, provide the requestor a written acknowledgement as described in Paragraph 4.3.c., and begin the review.

(2) If the pricing case POC and the requestor do not agree on the due date, discuss alternatives with the pricing lead and the requestor. Some of the alternatives could include

modifying the scope of the review or providing additional resources. Continue discussion until reaching an agreement.

(3) If the pricing case POC and pricing lead are unable to meet the needs of the requestor after reviewing all the alternatives, consider cancelling the case as prescribed in Paragraph 4.3.d.

c. Acknowledge the Pricing Case.

Once the pricing case POC and requestor agree to the due date and scope of the review, the pricing case POC must send a written acknowledgement of acceptance (e.g., signed memorandum, email) to the requestor. The written response must contain the following information agreed to by the pricing case POC and the requestor:

- (1) Due date.
- (2) Services or cost elements to review.
- (3) Proposal analysis technique(s) to apply (e.g., price, cost and technical).
- (4) Additional assistance requested.

d. Cancelling a Pricing Case.

(1) Cancellation by the Requestor.

If the requestor informs the pricing case POC that the field pricing assistance is no longer needed, the pricing case POC must:

- (a) Obtain the cancellation notification from the requestor in writing.
- (b) Notify the pricing lead.
- (c) Save all work to date and the notification from the requestor in the case file.
- (d) Prepare case files for cancelled cases IAW documentation guidelines in Paragraphs 3.3. and 3.5.
- (e) Update the agency authorized capability to include the reason for the cancellation.

(2) Cancellation Initiated by DCMA.

Cancellation of a case by DCMA is a last resort and requires performance of the following actions:

- (a) The pricing case POC must discuss the status and issues with the pricing lead. The pricing case POC and the pricing lead must consider all alternatives before considering

cancellation. The alternatives can include extensions, reassignment, changes in scope, alternative evaluation techniques, additional resources, or any combination.

(b) The pricing case POC and pricing lead will discuss the status, issues, and options with the requestor, prior to considering cancellation.

(c) The pricing lead must determine that no other options are available, other than cancellation.

(d) If the requestor concurs, the pricing case POC or other delegated individual will cancel the case, document the requestor's concurrence in the case file, and update the agency authorized capability.

(e) If the requestor does not concur, the pricing case POC will prepare the case file for cancellation approval. The case file includes all actions taken to date and the reason for the requested cancellation. The pricing case POC must elevate the cancellation request to the pricing lead and then through their chain of command to the Pricing Group Director, who may authorize the cancellation of the request or case without the requestor's concurrence. Cancelling pricing cases without requestor concurrence should be extremely rare and should be avoided, if possible.

1. If the Pricing Group Director approves the cancellation request, the pricing case POC must send a memorandum with the explanation for the cancellation to the requestor signed by the Pricing Group Director. The pricing case POC must save a copy of the memorandum in the case file and cancel the case in the agency authorized capability.

2. If the Pricing Group Director does not authorize the cancellation, the pricing case POC and pricing lead must discuss the continuation of the analysis with the requestor and any limitations that may affect the analysis. Document the discussion and any changes to the original acknowledgement in a new written acknowledgement. The pricing case POC will complete the request to the maximum extent practicable based on the information available and within the specified timeframe. Document the limitations on completing the analysis in the report.

4.4. PERFORMING PROPOSAL PRICING ANALYSIS.

a. Begin Analysis.

After completing Paragraph 4.3., the pricing case POC begins the analysis. The pricing case POC may perform the actions in Paragraph 4.4. in the sequence that best fits the situation.

b. Fact Finding.

Use fact finding to gather all relevant data needed to perform the analysis of the proposal. Include all information received in the case file. Conduct fact finding using the following techniques or other techniques as required.

(1) Conduct Walk Through.

The pricing case POC should conduct a walk through with the contractor, particularly for complex proposals, as early as possible in the process. The pricing case POC should coordinate the attendance of all appropriate contractor and Government personnel.

(2) Request for Information (RFI).

When RFIs are used, the requestor or local guidance should dictate the appropriate method.

(3) Gather Information.

The pricing case POC should contact the ACO, PCO, DCAA, and other DCMA functional specialists for relevant information. Request information needed to complete the analysis.

c. Establish Cost Model.

A cost model is required to monetize the recommendations. The pricing case POC may create one, or use one provided by the requestor or contractor. If the pricing case POC uses a provided model, the POC should verify the calculations. The cost model must:

(1) Support the recommendations in the report. If the requestor wants the recommendations by CLIN, year, or options, the cost model must provide the detail by those requirements.

(2) Summarize the proposal by cost elements in a form that can be manipulated (e.g., Excel spreadsheet, pricing software) to show the evaluated and recommended changes.

(3) Show the basis of the calculations.

(4) Be included in the case file.

d. Perform Cost Analysis.

Cost analysis is the review and evaluation of any of the separate cost elements in a contractor's proposal. Information and guidance related to descriptions and analysis of the most common cost elements can be found in the Contract Pricing Reference Guides (CPRG) (reference link at FAR 15.404-1(a)(7)) and/or other training resources.

(1) The pricing case POC must perform the cost analysis and provide recommendations for all services and cost elements agreed to in the written acknowledgement. The review can include any or all parts of a proposal or cost element. The risk assessment and scope determination should determine the depth and detail of the analysis.

(2) The pricing case POC should utilize the cost analysis techniques in FAR 15.404-1(c).

(3) The pricing case POC must use information from the current FPRA or FPRR in the cost analysis if one exists.

(4) The pricing case POC is responsible for the overall analysis. The cost element analysis must be consistent with the scope in the written acknowledgement. The pricing case POC may request technical assistance for any cost elements.

(5) Documentation and explanations in the case file must support all recommendations, including amounts accepted as proposed.

e. Perform Price Analysis.

Price analysis is the process of examining and evaluating a proposed price without evaluating its separate cost elements and proposed profit. The pricing case POC must perform a price analysis if agreed to in the written acknowledgement.

(1) The pricing case POC should utilize the price analysis techniques in FAR 15.404-1(b).

(2) The pricing case POC must make a statement on performing or not performing a price analysis in the pricing report.

f. Receive and Incorporate Assistance Reports.

(1) The pricing case POC should consider all requested reports for technical assistance, Commercial Product and Service Support, subcontractor assistance, and/or DCAA audit assistance when developing a recommended position.

(a) The pricing case POC should attempt to resolve any concerns with the assistance report with the issuing activity. Reissuance of the assistance report may be appropriate.

(b) The pricing case POC must describe any differences between the assistance reports and the pricing case POC's recommendations in the pricing report and document the rationale in the case file.

(2) The report and amounts in the agency authorized capability will reflect the total value of the proposal under review, including all assistance reports.

(3) The pricing case POC should provide feedback to the individuals who provided assistance. This feedback may include the usefulness of the report, how the report was incorporated, the results of the negotiations, and/or any suggestions for improvement. Feedback provided should be used to help improve analysis techniques and add value to future assistance products.

g. Develop a Recommendation for Each Cost Element Evaluated.

The pricing case POC must develop a recommendation for each cost element evaluated. The case file must clearly state, for each evaluated cost element:

- (1) What was proposed.
- (2) The basis of the proposal.
- (3) The methodology used to select items to evaluate.
- (4) The items selected that were evaluated.
- (5) The methodology used to evaluate the items.
- (6) How the results of the assistance reports were incorporated, if applicable.
- (7) A summary of the findings.
- (8) How the recommendations were developed.

h. Develop an Overall Recommendation and Complete the Cost Model.

The purpose of the analysis is to develop a recommendation that a contracting officer can use as a basis to negotiate a fair and reasonable price. The pricing case POC must calculate and quantify the recommendation using the cost model. The cost model must include all elements of cost and price, both evaluated and non-evaluated. A summary must be included within the cost model that matches the unsanitized report and sanitized report, if applicable.

i. Document the Analysis.

The pricing case POC must document the analysis and all recommendations in the case file. The documents must adequately describe the analytical techniques, rationale, and assumptions used during the evaluation, and include a statement that the recommendations form an adequate basis for negotiation of a fair and reasonable price. The pricing case POC must document any business system deficiencies or the Cost Accounting Standards, Part 31 of the FAR and Part 231 of the DFARS, "Contract Cost Principles and Procedures," noncompliances found during the analysis in the case file and in the report.

j. Due Date Extensions.

Extensions may become necessary due to issues such as unplanned RFIs, contractor delays in providing requested information, and/or scope changes. If an extension to the agreed to due date is required, the pricing case POC must document the rationale and obtain approval for the extension from the pricing lead using the agency authorized capability. The pricing case POC

must also obtain and document approval from the requestor. The pricing case POC must identify all acknowledgement and extension dates in the pricing report.

4.5. WRITING THE COST AND PRICING ANALYSIS REPORT.

a. Cost and Pricing Analysis Report.

The pricing case POC must document the results of the field pricing assistance using the Cost and Pricing Analysis Report Template located on the Resource Page. If the requestor desires a report with a format different from the Cost and Pricing Analysis Report Template, the pricing case POC should adjust the report format to accommodate the requestor and document the case file with the request. The report must show all evaluated cost elements and recommendations and should not apply non-evaluated indirect rates and profit. If the requestor requests application of non-evaluated indirect rates and profit to the DCMA-recommended position, the report must contain a statement that specifies which elements were not reviewed.

b. Foreign Contractor Reports.

For Foreign Contractor assistance, the pricing case POC may modify the template(s) as necessary to meet the needs of the foreign nation's practices and methodologies. For DCS support, the pricing case POC may need to also prepare a sanitized report that conforms to the contractor's release letter.

c. Contractor-Initiated Requests.

If the contractor (prime contractor or higher-tier subcontractor) requested the review due to the denial of access, the pricing case POC must prepare two reports, unsanitized and sanitized. The pricing case POC must obtain the subcontractor's restrictions on the release of data to the contractor in writing and attach it to both reports.

(1) Unsanitized Report.

This report contains the analysis of the subcontractor's proposal without the data restrictions imposed by the subcontractor. The pricing case POC must use the Cost and Pricing Analysis Report Template located on the Resource Page.

(2) Sanitized Report.

This report contains the analysis of the subcontractor's proposal with the data restrictions imposed by the subcontractor. The pricing case POC must use the Cost and Pricing Analysis Report Template – Sanitized, located on the Resource Page. Non-evaluated cost elements may need to be included as proposed within summary recommendations to ensure conformity to release restrictions. If a bottom-line price will be provided, include all cost elements, even if non-evaluated.

4.6. REVIEW AND APPROVAL.

a. Prepare Case File for Review.

The pricing case POC should assemble the case file prior to the review and approval process. The case file must include a completed Case File Documentation Checklist and a Case File Index located on the Resource Page.

b. Peer Reviews.

DCMA recommends the use of peer reviews as a best practice to improve the quality of pricing reports. Peer reviews are reviews not performed by the pricing lead. A peer review does not take the place of a pricing lead's review and approval. The pricing team and/or requestor will determine the appropriate manner to conduct the peer review.

c. Pricing Lead Review.

The pricing case POC will submit a draft report to the pricing lead for review. The pricing lead will review the case file and the draft report and determine if the report is approved for release or requires rework.

d. Sign the Report.

The pricing case POC and the pricing lead must sign the pricing report (physically or electronically) prior to releasing it to the requestor. The pricing lead's signature indicates that the report and case file comply with all regulations and DCMA policies and procedures. If a pricing lead or acting pricing lead prepares the pricing report, the final approval signature must be at least one level above the pricing lead.

4.7. COMPLETING THE PROPOSAL PRICING CASE.

a. The requestor and/or the pricing case POC will determine the best method of transmitting the signed report and any supporting documents.

(1) Internal and External Government Requests.

The pricing case POC must send the pricing report and any supporting documents to the requestor and to the cognizant ACO, if requested. The pricing case POC must provide all received assistance reports (e.g., DCAA audit, technical, Commercial Product and Service Support and subcontractor) to the requestor. The pricing case POC must provide a copy of the cost model to the requestor, if requested.

(2) Contractor-Initiated Requests.

The pricing case POC must send both the unsanitized and sanitized reports to the initiating contractor's cognizant pricing team and to the subcontractor's ACO, if requested. The

initiating contractor's cognizant pricing team must send the sanitized report to the initiating contractor. Prior to sending the sanitized report to the initiating contractor, the sender must confirm the report complies with the subcontractor's written restrictions. See Paragraph 4.7.a.(3) if the subcontractor restricts the release of all data to the initiating contractor. The unsanitized report and the cost model must not be sent to the initiating contractor. The initiating contractor's cognizant pricing team should consider sending both the unsanitized and sanitized reports to the PCO.

(3) Subcontractor Restricts the Release of All Data to the Contractor.

The pricing case POC will send the unsanitized report to the initiating contractor's cognizant pricing team and the subcontractor's ACO. The cognizant pricing team will coordinate with the PCO and/or ACO to decide what information to release to the contractor IAW DFARS PGI 215.404-3(a)(iii).

b. Unless authorized by the requestor, DCMA must not release the pricing report directly to the contractor that is the subject of the report. The pricing case POC should refer the contractor to the requestor concerning the release of the report.

c. The pricing case POC will update the agency authorized capability and close the pricing case. The data should be accurate as described in Paragraph 3.6.

d. Store any documents received after sending the report in the case file.

4.8. PERFORMING RATE CHECKS.

a. A rate check consists of providing information from a current FPRA, FPRR, DCAA audit, or a recently performed DCMA rate analysis. If requested, a rate check may also include simple recalculation of the proposal using the available rates.

b. A rate check does not involve the evaluation of a proposal (proposal pricing) or the components of a rate (pool and base). A rate check is not subject to the requirements in Paragraphs 4.3. through 4.7. If analysis of a rate is required, it is considered proposal pricing and is subject to the requirements in Paragraphs 4.3. through 4.7.

c. Rate check requests for foreign contractors must follow the procedures in Paragraph 4.2.b.(1)(b).

d. The pricing case POC must provide the requested rate information to the requestor using the Rate Check Memorandum Template located on the Resource Page, a similar local template which includes the same general information, or another format if requested by the requestor.

e. For a contractor-initiated rate check, the pricing case POC must contact the subcontractor for data release restrictions prior to releasing any information to the requestor. Any information released to the contractor must comply with the subcontractor's release restrictions and may

require the preparation of a sanitized memorandum. A subcontractor rate check memorandum must not be released directly to the contractor.

f. The pricing case POC and the pricing lead must sign the rate check memorandum prior to releasing it to the requestor. The pricing lead's signature indicates that the memorandum and case file complies with DCMA policies and procedures.

g. Case file documentation for rate checks must include the:

- (1) Rate check request.
- (2) Receipt confirmation.
- (3) Correspondence.
- (4) Rate check memorandum.
- (5) Subcontractor data release restrictions for contractor-initiated requests.
- (6) Cost model, if requested.

4.9. PROVIDE NEGOTIATION SUPPORT.

When requested, the pricing case POC must support negotiations.

4.10. RECORDS MANAGEMENT AND DATA INTEGRITY.

Refer to Paragraph 3.3. for CUI requirements, Paragraph 3.5. for records management, Paragraph 3.6. for data integrity requirements, and agency authorized capability user guide for fields applicable to this Section.

SECTION 5: DELEGATED ACO NEGOTIATIONS

5.1. OVERVIEW.

a. This Section provides guidance on DCMA ACO negotiation support actions.

b. The types of actions that might require definitization and may be delegated to an ACO with the applicable FAR and DFARS references are:

(1) Unpriced task or delivery orders against an Indefinite Delivery Contract or a Basic Ordering Agreement.

(2) Unpriced change order (FAR Subpart 43.2, “Change Orders” and DFARS 243.204-70, “Definitization of change orders”).

(3) Unpriced purchase order (FAR 13.302).

(4) Provision Items Order (DFARS 217.76).

(5) UCAs as prescribed in DFARS Subpart 217.74.

c. The ACO is responsible for the negotiation process but may delegate the responsibility for some of the procedures within the negotiation process to an assigned individual. However, the ACO must maintain oversight of the individual delegated the responsibility to ensure an unauthorized action does not occur during the negotiation process.

5.2. RECEIPT OF AUTHORIZATION FOR ACO NEGOTIATION.

a. Delegation is identified during Contract Receipt and Review. Upon receiving a contract delegating definitization, the assigned individual must enter the case into the agency authorized capability (link available on the Resource Page). Until the proposal is received, the assigned individual must track IAW the applicable regulation:

(1) Contractor performance.

(2) Proposal due date.

(3) Induction status of the item(s) to be repaired, if applicable.

b. The assigned individual must ensure the contractor complies with the contract definitization schedule. If the proposal is not received by the target date, refer to FAR Clause 52.216-25(c), “Contract Definitization,” for guidance.

5.3. UCA REPORTING.

a. DFARS PGI 217.7405 requires DoD departments and agencies to prepare and maintain a Consolidated UCA Management Plan and prepare semi-annual Consolidated UCA Management Reports addressing each UCA and unpriced change order with an estimated value exceeding \$5 million. The Contracting Officer responsible for the definitization is responsible for the reporting requirements. The reporting requirements also include the submission of a copy of the record of weighted guidelines for each definitized UCA with a value of \$100 million or more. The semi-annual reporting periods are April 1 through September 30 and October 1 through March 31.

b. DCMA Components with a UCA or unpriced change order meeting the DFARS 217.7405 semi-annual reporting requirements must email the required information to the AQ POC at the Inbox identified on the Resource Page by April 14th and October 14th of each year (if a weekend or holiday, the next business day). The DCMA Component must use the Consolidated UCA Management Report format specified in DFARS PGI 217.7405(2)(ii).

c. DCMA Components with reportable UCAs or unpriced change orders must also email a Consolidated UCA Management Plan, or monthly update to an existing plan, to the AQ POC at the Inbox identified on the Resource Page within 10 calendar days after the end of each month.

d. The AQ POC must prepare the DCMA Consolidated UCA Management Report and Consolidated UCA Management Plan for the review and approval of the Executive Director, Contracts. After receiving approval, the AQ POC must submit the documents to the office specified in DFARS PGI 217.7405(1) by October 31st and April 30th of each year.

5.4. DEVELOPING GOVERNMENT OBJECTIVES.

a. Receive Proposal.

The assigned individual must obtain an adequate or qualifying proposal from the contractor for analysis. The assigned individual will follow Paragraph 4.3. to establish the case file, determine adequacy, assess risk, and plan the evaluation of the proposal.

b. Proposal Analysis.

The ACO is responsible for establishing the Government's negotiation position but may request assistance or delegate the performance of the analysis. When the ACO or assigned individual performs the proposal analysis, follow Paragraph 4.4. of this manual for guidance. When the ACO desires assistance from a DCMA PCA, follow Paragraph 4.2.c. of this manual for requesting DCMA PCA support. If technical analysis is required, follow Paragraph 6.2.a. for requesting technical support. DCAA audit assistance may be requested IAW DFARS PGI 215.404-2(c). If DCAA is unable to support the request, the assigned individual will perform the analysis or request support from a PCA.

c. Develop the PNO.

The ACO must establish and document the PNO in a PNOM prior to conducting the negotiation. If an assigned individual prepares the PNOM, the ACO must approve the objectives and the PNOM. If the action is above the Simplified Acquisition Threshold (SAT), additional review and concurrence is required IAW with Paragraph 5.6.

(1) When proposal analysis support is requested from pricing, technical, or DCAA, the assigned individual should receive a report containing recommendations from the functional specialist. The ACO should consider the recommendations from the reports received when establishing PNO and document them in the PNOM. Follow the guidance in Paragraph 4.4. for receiving and incorporating the requested support.

(2) When the assigned individual performs the proposal analysis, the results of the analysis must be documented in the appropriate PNOM template.

(3) The assigned individual must use one of the templates located on the Resource Page for writing the PNOM as prescribed in subparagraphs (a) through (c). The assigned individual may add sections to address specific circumstances but must not delete any of the template sections. If a section of the template does not apply to the negotiation, provide a brief explanation. The following are the types of templates.

(a) PNOM Template.

If the total PNO amount exceeds the SAT, as defined at FAR 2.101, “Definitions,” the assigned individual must use this the PNOM template.

(b) Combined PNM Template for under SAT.

If the total PNO amount does not exceed the SAT, the assigned individual may prepare a combined PNOM and PNM template.

(c) Combined PNOM/PNM Template for Micro Purchases.

If the total PNO do not exceed the Micro Purchase threshold (as defined at FAR 2.101, “Definitions”), the assigned individual may prepare a combined PNOM and PNM using this template.

(4) The ACO must seek the appropriate levels of review and concurrence (See Paragraph 5.6.) after preparing the PNOM and before proceeding with the negotiation.

5.5. NEGOTIATION.

a. Prior to Negotiation.

The ACO or assigned individual, hereafter referred to as the assigned individual, should meet with the functional specialists involved with the analysis to determine the need for and availability to participate in the negotiation. If DCAA issued an audit report in support of the negotiation, the assigned individual must also extend an invitation to DCAA. The assigned individual will:

(1) Ensure all Government attendees understand their roles and expectations during negotiation meetings, to include refraining from discussing experiences with other contractors, except with other Government attendees.

(2) Contact the PCO to discuss any issues prior to negotiation, including obtaining appropriate funding documents.

b. Conduct Negotiation.

(1) The assigned individual should ensure the contractor representative(s) have the authority to negotiate on behalf of the company.

(2) The ACO responsible for the negotiation should be present. If the ACO responsible for the negotiation is unable to attend, the assigned individual must inform the contractor that any understanding or agreement reached requires ACO approval with the appropriate levels of review and concurrence.

(3) The assigned individual must notify the contractor that the agreement is subject to the availability of funds.

(4) Techniques on how to perform a negotiation can be found in the CPRG. A link to the CPRG is available on the Resource Page.

(5) If during negotiations the assigned individual believes the negotiated amount may exceed the Government objectives in the PNOM, the assigned individual must stop negotiation for a re-evaluation.

(a) Depending on the scope of change and rationale for the anticipated increase, the contractor may be required to provide supplementary documentation. The supplementary documentation may necessitate the need for additional financial or technical review.

(b) The assigned individual, with ACO concurrence, must submit an amended PNOM, using the applicable template, for the appropriate levels of review and concurrence, as outlined in Paragraph 5.6., before continuing negotiation.

c. Documenting the Negotiation.

The ACO must document the results of the negotiation in a PNM IAW FAR 15.406-3 and DFARS PGI 215.406-3, Documenting the negotiation. The ACO must use one of the templates located on the Resource Page.

(1) If the ACO uses the PNOM Template, the PNM Template must be used. The ACO may add sections to address specific circumstances but must not delete any of the template sections. If a section of the template does not apply to the negotiation, provide a brief explanation.

(2) If the ACO uses one of the combined PNOM/PNM Templates to document the PNO, the same template is used to document the negotiation results.

(3) The ACO must clearly state in the PNM how the negotiated price was determined fair and reasonable.

(4) When certified cost or pricing data are required, the assigned individual must require the contractor to execute a Certificate of Current Cost or Pricing Data using the guidance and format in FAR 15.406-2, "Certificate of Current Cost or Pricing Data." Contractor Certification provides documentation that the cost and pricing data were accurate, complete, and current as of the date of the negotiated agreement.

(a) When a negotiation takes place that entails the execution of Certificate of Current Cost or Pricing Data, a contractor may provide a package of data commonly called a "Sweep Package." This package includes any data that the contractor has found as a result of a review of its records that may have not been disclosed to the Government prior to the handshake that may have impacted negotiations.

(b) The ACO must defer consideration of the impact of any cost or pricing data submitted by a contractor after price agreement is reached until after award of the contract action to avoid delays in the awarding of the contract, pursuant to DFARS PGI 215.406-2. Any cost or pricing data submitted after price agreement must be reviewed and dispositioned after award of the contract action, pursuant to FAR 15.407-1, to establish whether the certified cost or pricing data submitted up to the point of price agreement was defective, and to determine whether the Government is entitled to a price adjustment IAW FAR 52.215-10 or FAR 52.215-11.

(5) The ACO must seek the appropriate levels of review and concurrence for the PNM (See Paragraph 5.6.) before proceeding with definitization.

5.6. LEVELS OF REVIEW AND CONCURRENCE.

a. Review is required for all PNOMs and PNM's prior to concurrence except for delegated ACO actions identified in Paragraph 5.1.b. below the SAT. For actions above the SAT, the ACO's supervisor will perform a review of the PNOM and the PNM, and the case file to verify that they comply with FAR, DFARS, and this manual. The supervisor will perform the review

using the Case File Documentation checklist (available on the Resource Page). The supervisor's signature on the PNOM and PNM indicates that the report and case file comply with all regulations and DCMA policies and procedures.

b. Legal review by assigned legal counsel is recommended but not required.

c. The dollar value of the action dictates the level of review for a PNOM, PNM, combined PNOM and PNM, or DCMA boards of review (BoR). Refer to DCMA-MAN 2201-05, "Boards of Review," for guidance on obtaining appropriate reviews of contracting actions before taking any action. The level of review for the PNM must be the same level of review of the PNOM.

(1) If the dollar value does not exceed the SAT, the ACO is the final review level for the PNOM and PNM, or the Combined PNOM/PNM.

(2) If the dollar value does exceed the SAT but does not exceed the threshold for obtaining certified cost or pricing data, the review level for a PNOM or PNM is at least one level above the ACO.

(3) If the dollar value exceeds the threshold for obtaining certified cost or pricing data, the review level for a PNOM and PNM is the CMO Contracts Director.

(4) The type of actions and dollar thresholds requiring a BoR are listed in the BoR matrix located on the Resource Page.

d. If the reviewing authority concurs with the PNOM and PNM, the reviewing authority will sign and date the PNOM and PNM.

e. If the reviewing authority does not concur, the reviewing authority will provide a written response with the reasons for the nonconcurrency.

(1) If the ACO agrees with the nonconcurrency, the PNOM and PNM will be revised and resubmitted.

(2) If the ACO does not agree with the nonconcurrency, a resolution discussion must take place with all applicable levels of management before executing the contract action. For a high-risk, controversial, or precedent-setting action, the ACO should consider a headquarters BoR (see matrix located on Resource Page for additional information). As the warranted contracting officer, the ACO retains the right to take action despite the nonconcurrency. Every contract action must be the result of the ACO's personal and independent decision. The ACO must document the discussion and rationale for the decision to proceed in the PNOM and PNM or in a signed memorandum for the case file. The written nonconcurrency either must be included in the case file as a stand-alone document or attached to the PNOM and PNM.

5.7. DEFINITIZATION.

The ACO must follow the procedures in DCMA-MAN 2501-02, “Contract Modification Actions,” for issuing the modification to definitize the unpriced contract action.

5.8. COMPLETING THE NEGOTIATION SUPPORT CASE.

a. The ACO must provide a copy of the PNM (or combined PNOM and PNM) to external individuals or offices that provided assistance or support (e.g., DCAA, Navy Price Fighters). The ACO must provide the customer with documents supporting the negotiation when requested.

b. The ACO must upload the PNOM and PNM into the Contract Business Analysis Repository no later than 30 days after award of a contract action of \$25 million or above.

c. The ACO, or assigned individual, must close the negotiation support case in the agency authorized capability used for managing negotiation support cases. The data should be accurate as described in Paragraph 3.6.

d. The delegated ACO negotiation case file must contain all documents and correspondence used. The case file must include a completed Case File Documentation Checklist and a Case File Index located on the Resource Page. Documents should be marked as described in Paragraph 3.3.

5.9. RECORDS MANAGEMENT AND DATA INTEGRITY.

Refer to Paragraph 3.3. for CUI requirements, Paragraph 3.5. for records management, Paragraph 3.6. for data integrity requirements, and agency authorized capability user guide for fields applicable to this Section.

SECTION 6: TSN

6.1. OVERVIEW.

- a. TSN is performed in response to formal requests for technical analysis of a contractor's proposal.
- b. This Section provides the processes for DCMA TSN IAW FAR Subpart 15.4 and DFARS Subpart 215.4, "Contract Pricing," with a focus on FAR 15.404-1(e), "Technical analysis." DCMA Technical Specialists are Assigned Individuals for Section 6, and they provide technical analysis for various types of proposals.
- c. DCMA provides technical support for Commercial Product and Service determinations and commercial item pricing. Refer to Section 7 of this manual for additional guidance concerning commercial item support.
- d. DCMA may be asked to provide technical support for OTs. Refer to Section 4 of this manual and the Resource Page for OT guidance.
- e. DCMA provides support to DCS contracts. A DCS contract is where eligible foreign governments or international organizations may contract directly with U.S. suppliers for the purchase of defense articles. DCS activities may be reimbursable IAW reimbursable agreements and are subject to the requirements found in DCMA-MAN 4301-12 and DCMA-MAN 2501-11.

6.2. RECEIVE TSN REQUESTS.

The requests may come from an internal (DCMA) requestor or an external (non-DCMA Government or Foreign Government) requestor.

a. Receive TSN Request.

Internal pricing assistance requests will be received via the agency authorized capability. Internal and external TSN Only requests will be routed to the TSN Coordinator (outside of the agency authorized capability). Any request sent directly to the Technical Specialist will be rerouted to the TSN Coordinator.

(1) Create TSN Request Record.

The TSN Coordinator will create a record for TSN only cases utilizing the agency authorized capability. Refer to the Resource Page for details on using the agency authorized capability.

(2) Review TSN Request.

The TSN Coordinator will review the request to verify the request is specific and identifies what aspects of the proposal need to be evaluated. If the request doesn't clearly identify what is to be evaluated, the TSN Coordinator will contact the requestor for clarification.

(3) Workload Acceptance.

The supervisor or lead will accept workload of TSN Only cases-per DCMA-MAN 4502-02.

(4) Receipt Confirmation of TSN Request.

The TSN Coordinator should inform the requestor the TSN request has been received.

b. Coordinate TSN Request.

All requests should be coordinated between the TSN Coordinator and the Technical Supervisor or Lead.

(1) Review Scope of Request.

The scope of the request should be reviewed by the TSN Coordinator and the Technical Supervisor or Lead to identify requirements and resources necessary to complete the TSN by the requested due date.

(2) Assign Technical Specialist.

The Technical Supervisor or Lead will assign a Technical Specialist to perform the TSN review. In situations where multiple Technical Specialists are needed for the TSN review, the Technical Supervisor or Lead will assign a primary individual to lead the TSN review. The CMO must not reject a request due to the lack of resources or expertise without elevating the request by following the procedures on the Resource Page.

c. Communicate with Requestor.

The Technical Specialist should communicate with the requestor early in the TSN process. This communication is beneficial because it helps ensure that both parties are in agreement regarding the scope of the effort, and it helps in establishing expectations of the parties regarding the process.

d. TSN Request Documentation.

The TSN Coordinator must document receipt of TSN Requests and confirmation of requests in the technical case file (see Paragraph 6.7. for creating a technical case file).

e. Monitor TSN Requests.

The TSN Coordinator will provide oversight of the established timeline for all requests, including approval status and final submittal of TSN reports. The TSN Coordinator will provide information to internal or external customers on TSN status when requested.

6.3. REVIEW TSN REQUESTS.

TSN requests are reviewed for completeness and adequacy of documentation. The review of the provided documentation allows the Technical Specialist to develop a technical approach to support the request and to provide the requestor with an acknowledgement.

a. Scope Review.

The Technical Specialist will verify that the overall technical scope of the proposal agrees with the terms and conditions of the requirements as defined in the solicitation, SOW or SOO. In situations where the request identifies areas not found in the solicitation, SOW or SOO, the Technical Specialist will inform the requestor. If the scope differs from requirements and the Technical Specialist is unable to resolve the discrepancy, the Technical Specialist will document the issue in the final report. If significant, notify the requestor as soon as possible and request direction on how to proceed.

b. Proposal Adequacy for TSN.

For TSN Only requests, the Technical Specialist will perform proposal adequacy using the form or checklist located on the Resource Page. The Technical Specialist will document the case file with the results of the proposal adequacy review and actions taken to resolve inadequacies (see Paragraph 6.7. for creating a technical case file).

c. Proposal Package Completeness.

The Technical Specialist will review the proposal package for completeness. The appropriate supporting documentation should accompany the TSN request (e.g., proposal, RFP, SOW or SOO, WBS or any supporting documentation necessary to initiate the analysis). If pertinent documentation is missing, the Technical Specialist will request the documentation from the requestor. In situations where the information is not provided, the Technical Supervisor or Lead will determine how to resolve this issue on a case-by-case basis. If supporting documentation is not received, document it in the report. The Technical Specialist will include all correspondence and information received in the case file (see Paragraph 6.7. for creating a technical case file).

d. Technical Approach.

The Technical Specialist should discuss with the Technical Supervisor or Lead the technical approach that will be taken to evaluate the proposal. The Technical Specialist should use the CPRG format to develop the technical approach.

e. Deviation from Original Request.

Any agreed to deviation from the original request must be documented in the written acknowledgement.

f. Send Acknowledgement of TSN Request.

(1) When only one Technical Specialist is assigned to perform a TSN review, the Technical Specialist will send to the requestor and TSN Coordinator written acknowledgment accepting the scope of work and agreed to due date. Technical Specialists are strongly encouraged to use the TSN Acknowledgement Template on the Resource Page.

(2) When more than one Technical Specialist is assigned to perform a TSN review, a primary individual will coordinate with the other Technical Specialists and send to the requestor and TSN Coordinator written acknowledgment accepting the scope of work for all the Technical Specialists and agreed to due date. Technical Specialists are strongly encouraged to use the TSN Acknowledgement Template on the Resource Page.

(3) The Technical Specialist will document acknowledgement in the case file (see Paragraph 6.7. for creating the technical case file).

6.4. PERFORM TECHNICAL PROPOSAL ANALYSIS.

The objective of technical proposal analysis is to determine the need for, and reasonableness of, proposed resources to satisfy the contract requirements.

a. Proposal Walk Through.

It is recommended, particularly for complex proposals, that a proposal walk through be requested from the contractor. The Technical Specialist should coordinate this review through the requestor and all proposal review team members should be invited to participate.

b. Data Review.

The Technical Specialist must perform a review of the contractor data provided to support the rationale and estimates within the proposal IAW FAR 15.404-2, "Data to support proposal analysis." This review should allow for adequate time to request additional details from the contractor. Per local guidance, the Technical Specialist may request needed data either during fact-finding session with the contractor or via a RFI submittal (see Paragraph 6.4.b.(2)).

(1) Fact Finding.

When fact-finding sessions are used, they should be coordinated with the contractor POC, and the requestor should be informed. Other proposal evaluation team members should be invited, as appropriate. Following the meeting, pertinent information provided by the contractor is documented in a memorandum for record or similar means. The minutes and action items

should also be sent to the contractor representative to make sure there are no disagreements relative to what information was provided and/or to document what additional information needs to be provided.

(2) RFI.

When RFIs are used, the requestor or local guidance should dictate the appropriate method. The requestor should be copied on all RFIs.

c. Technical Analysis.

The Technical Specialist must address all areas identified in the TSN request and agreed to in the written acknowledgement. The Technical Specialist is encouraged to utilize the CPRG to identify various analysis techniques. Technical analysis of proposals must be performed IAW FAR 15.404-1(e), “Technical analysis.”

(1) Estimating System Deficiencies.

If, during evaluation of a proposal, any significant estimating system deficiencies are identified IAW DFARS 215.407-5-70(d)(1), “Reporting of findings”, the Technical Specialist will notify the cognizant ACO in writing and document this information in the TSN report.

(2) Analysis and Recommendations.

Analysis and recommendations should be based on facts and quantitative data except in rare circumstances such as when cutting edge technology or other factors are involved. “Engineering judgement” is generally not a valid rationale by either the contractor or the Technical Specialist for the purpose of supporting a position. No requirement exists to complete a 100 percent analysis on all proposed data. When a large volume of data exists, such as a large Bill of Materials, unless explicitly requested, it is at the discretion of the Technical Specialist to conduct sampling or other means to develop the Government recommended positions. Sampling size should be adequate to allow for valid justification and defense of recommendations.

(3) Perform Technical Analysis of Proposed Direct Materials.

The analysis should verify that the materials meet the requirements as established by the RFP and any other requirements documents. There may be a factor for yield (allowable), which should be analyzed for reasonableness.

(a) Verify the Proposed Part Numbers.

The part numbers proposed should match the part numbers on the engineering drawing and other supporting documentation. Similar-to parts may be used for estimates where no history exists and similarity can be verified. As with all aspects of the proposal, verify part numbers are not duplicated.

(b) Verify Kind and Type Material.

Ensure material type proposed is directly required in the making of the final product.

(c) Verify the Quantity of Materials.

The quantity of materials required should match the proposed materials and the supporting documents.

(4) Perform Technical Analysis of Proposed Direct Labor.

A Basis of Estimate should be provided by the contractor to substantiate each line item of direct labor in the proposal. Factors cited should not be accepted by the analyst without valid justification. Verify that the proposed labor meets, but does not exceed, the requirements as established by the RFP and any other requirements documents.

(a) Analyze Labor Hours.

Ensure that the periods of performance are consistent and correct. Check for duplication of tasks by more than one person and eliminate any redundancy in tasks being proposed. Complexity and other factors should be explained within the proposal and supporting documentation. Verify the contractor's estimating methodology is reasonable and appropriate (i.e., historical averages versus learning curve).

(b) Verify Labor Categories.

Ensure that the appropriate categories and skill levels are proposed.

(5) Perform Technical Analysis of Proposed Other Direct Costs (ODC).

ODCs are those identified specifically with a particular final cost objective other than direct labor and direct materials and may include such costs as travel, special tooling and test equipment, computer services, etc. Verify that the proposed ODC meets, but does not exceed, the requirements as established by the RFP and any other requirements documents. Evaluation of travel is typically the primary focus of ODC. When evaluating travel, the Technical Specialist should review the number of trips proposed, length of trips, the locations, and whether the appropriate personnel are involved. Electronic forums such as Audio and Video Teleconferences should be recommended as alternatives, when applicable. Ensure that each ODC is used only on the proposed effort and will not be utilized on other contracts.

(6) Evaluation of Cost Estimating Relationship (CER).

During the technical analysis, the proposal may cite CERs.

(a) Verify CER Validity.

The Technical Specialist, in coordination with the requestor, should ensure that all CERs cited in the proposal have been evaluated previously and that DCMA is in agreement with the contractor's method of developing the CERs. Local policy and guidance must determine tracking of the CERs. When the CERs have not been previously reviewed and agreed upon by DCMA, the specialist must treat the CER as if it were being proposed discretely and all accompanying support documentation must be provided by the contractor and analyzed.

(b) Verify CER Applicability.

The Technical Specialist, in coordination with the requestor, should evaluate the applicability of the use of the CER in the proposal being reviewed.

(c) Verify CER Currency.

In addition, the CER should be relatively current with the evaluation having been completed within the past two to three years, depending on program changes and validity of data previously used. There is no mandatory expiration date on such evaluation. The Technical Specialist should take into consideration the age of the data used for the evaluation and whether any significant program changes have occurred that may invalidate the CER methodology.

(7) Profit Determination.

Assist with determination of an appropriate profit rate as requested utilizing the weighted guidelines method or alternate structured approach IAW DFARS 215.404-4. This is accomplished by assessing performance and technical risk, as well as evaluating technical cost efficiency initiatives that would factor into the application of any cost efficiency factor adjustments.

(8) Due Date Extension Request.

Typically, extensions are requested due to unplanned RFIs, unresponsiveness from the contractor, and scope changes. If an extension to the agreed to due date is required, the Technical Specialist will coordinate the extension with the Technical Supervisor or Lead using the agency authorized capability. The rationale must be documented. The extension must also be agreed to by the requestor and documented in the agency authorized capability. Identify all acknowledgement and extension dates in the TSN case report.

(9) Cancellation of Case.

If it is necessary to cancel a case, the Technical Specialist will obtain requestor and supervisor or lead approval, document the cancellation in the case file and update the agency authorized capability.

d. Case File Documentation.

The Technical Specialist must document working papers consistent with the technical case file index (available on the Resource Page).

6.5. PREPARE TSN REPORT.

The Technical Specialist must prepare a TSN report incorporating the findings and recommendations of all proposal areas requested, to include recommendations and supporting analysis from all necessary functional areas (e.g., engineering, manufacturing, quality, and software) as required by the request and identified in the written acknowledgement. Generic statements should be avoided. The Technical Specialist must identify what was reviewed based on the TSN request and the methodology used during analysis to support the Technical Specialist's recommendation.

a. Report Format.

The Technical Specialist must prepare a well-documented report using the TSN Report Template on the Resource Page, a customer requested format, or a CMO template that provides, at a minimum, the same information as the TSN Report Template.

b. Document Deviations from Request.

The Technical Specialist must document any agreed to deviations from the original request.

c. Document Estimating System Deficiencies.

The TSN report must describe the deficiencies in sufficient detail IAW DFARS 215.407-5-70(d)(1), "Reporting of findings."

d. Apply Proper Markings.

All technical reports and other relevant documents containing CUI must be properly marked. See Paragraph 3.3.

e. Consolidate Report.

The primary individual will coordinate with all applicable functional areas to obtain Technical Specialist written detailed results for each assigned element. The primary individual will consolidate inputs into one comprehensive report.

f. Prepare Case File for Review.

The Technical Specialist should assemble the case file prior to the review and approval process (see Paragraph 6.7. for creating a technical case file).

g. Submit Report for Review.

The Technical Specialist or the primary individual will submit to the Technical Supervisor or Lead a draft TSN report that incorporates the analysis and technical recommendations for review.

h. Review TSN Report, Technical Case Files, and the Agency Authorized Capability.

The Technical Supervisor or Lead will review the draft TSN Report and Technical Case Files and provide feedback or recommendations to the author of the TSN report. See Paragraph 3.6.

i. Sign and Approve Reports.

All reports must be signed by the Technical Specialist and reviewed, approved, and signed by the Technical Supervisor or Lead (physically or electronically). Review, approval, and signature of the Technical Supervisor or Lead signifies that the report's contents meet all of the policy requirements and all the requirements of the TSN request identified in the written acknowledgment.

(1) If a technical lead or acting technical lead prepares the TSN report, the final approval signature must be at least one level above the technical lead.

(2) For internal purposes, to facilitate schedule, the report can be unofficially provided to the requestor for incorporation in the cost and pricing analysis report. The PCA should not release the pricing report to the customer prior to review and approval of the TSN report.

j. Submit Report.

The Technical Specialist should send the TSN report and supporting documentation to the requestor.

k. Report Documentation.

The Technical Specialist should ensure the signed approved report is in the technical case file.

l. Close TSN Technical Case File.

The Technical Specialist should close completed cases in the agency authorized capability for managing pricing and technical pricing support (Information provided on the Resource Page).

6.6. PROVIDE NEGOTIATION SUPPORT.

When requested, the Technical Specialist must support negotiations. Support requests may originate within DCMA or may be generated externally, such as from an external contracting officer within a program office. Ad hoc support (i.e., further explanations) in specific areas may be requested of the Technical Specialist who completed the analysis. Time consuming or more

extensive negotiation support requests that would impact workload should be routed in the same manner as a TSN request.

6.7. COMPLETING TSN SUPPORT.

The technical case file must contain all documents and correspondence used or referenced in the response to the requestor of the technical pricing assistance. The case file must include a completed Case File Documentation Checklist and a Case File Index, which are located on the Resource Page.

6.8. RECORDS MANAGEMENT AND DATA INTEGRITY.

Refer to Paragraph 3.3. for CUI requirements, Paragraph 3.5. for records management, Paragraph 3.6. for data integrity requirements, and agency authorized capability user guide for fields applicable to this Section.

SECTION 7: COMMERCIAL PRODUCT AND SERVICE SUPPORT

7.1. OVERVIEW.

a. Commercial Product and Service Support includes evaluating whether a product or service supplied by a prime contractor or subcontractor meets the definition of a commercial product or service contained in FAR 2.101; making a contracting officer determination of commerciality, as appropriate; and, evaluating whether the proposed price for a commercial product or service is fair and reasonable.

b. A DCMA CD-ACO will serve as the determining official for all commercial product or service review requests submitted to DCMA.

c. The DoD Commercial Item Determination (CID) Database contains information about products and services reviewed and/or determined commercial. Refer to the Resource Page for more information about the DoD CID Database and the database link.

d. This Section of the NI Manual provides the processes for DCMA Commercial Product and Service Support using the guidance found in the following:

(1) FAR 2.101, “Definitions,” Commercial Product and Commercial Service, sets forth the conditions that must be met by a product or service in order to be acquired using the Commercial Acquisition procedures of Part 12 of the FAR, “Acquisition of Commercial Products and Commercial Services.”

(2) Part 10 of the FAR, Market Research.

(3) Part 12 of the FAR, Acquisition of Commercial Products and Commercial Services.

(4) Part 15 of the FAR, Contracting by Negotiation.

(5) Subpart 44.4 of the FAR, Subcontracts for Commercial Products and Commercial Services.

(6) DFARS 215.4, Contract Pricing.

(7) Subpart 234.70 of the DFARS, Acquisition of Major Weapon Systems as Commercial Products.

(8) Subpart 244.4 of the DFARS, Subcontracts for Commercial Items and Commercial Components.

(9) DoD Guidebook for Acquiring Commercial Items, the link for which is on Resource Page.

(10) DCMA CIG Desk Guide, which is available on the Resource Page.

e. DCMA provides the following types of Commercial Product and Service Support:

(1) Assist procuring contracting activities in determining whether a commercial product or service meets the definition of commercial contained in FAR 2.101, as required per Part 12 of the FAR and/or Part 15 of the FAR, including making commercial determinations (CDs), or other-than-commercial (OTC) memorandums.

(2) Assist procuring contracting activities in determining whether a subcontract product or service under a Part 15 of the FAR prime contract proposal meets the definition of commercial contained in FAR 2.101, as required per Part 15, including making CDs or OTC memorandums.

(3) Assist procuring contracting activities with determining a fair and reasonable price for commercial products and services.

(4) Go-Back Assistance (see Paragraph 7.9.).

(5) Commercial EAE (refer to Section 8).

7.2. RECEIVING COMMERCIAL PRODUCT AND SERVICE SUPPORT REQUESTS.

a. All requests for commercial acquisition support should be submitted to the CIG via the CIG inbox on the Resource Page.

b. The CIG will notify the requestor that DCMA has received the request and enter the case into the agency authorized capability.

c. The CIG Team Supervisor, Team Lead, or designated individual will perform workload acceptance for Commercial Product and Service requests IAW DCMA-MAN 4502-02.

d. The CIG Team Supervisor, Team Lead, or designated individual will assign the request using the following guidelines, unless there is an issue with expertise or resources that would justify an exception.

(1) Requests for assistance in determining whether a product or service meets the definition of commercial under FAR 2.101 should generally first be reviewed by a CIG engineer, who will provide a recommendation to the CD-ACO. The CD-ACO will make a determination on commerciality. The CIG may request input and/or recommendation assistance from other functional areas as necessary.

(2) Requests for pricing assistance on commercial products or services should first be reviewed by a CIG Team Supervisor, Team Lead, or assigned PCA. The CIG Team Supervisor, Team Lead, or designated official will determine the best office to provide the pricing assistance.

(3) When requests involve both commerciality and price reasonableness assistance, generally two separate reviews should be initiated IAW subparagraphs 7.2.d.(1) and (2); however, the two reviews may be included under one case.

7.3. COMMERCIAL PRODUCT AND SERVICE SUPPORT PACKAGE REVIEW.

a. Commercial Product and Service Support Requests are reviewed for assignment.

(1) Requests should be submitted with adequate supporting documentation and information, including part number and nomenclature, to uniquely describe the product or service being acquired.

(2) The supervisor or team lead reviews current workload and determines which individual is best suited to handle the new request.

b. Commercial Product and Service Support Requests are reviewed for acceptance, adequacy, and completeness. Once the request is assigned, the assigned individual must complete the Proposal Adequacy Checklist (Commercial) (available on the Resource Page) to record the information and data received in the contractor's proposal. If significant findings are identified, notify the requesting office and ACO IAW the Proposal Findings Notification process, which is available on the Resource Page. Special overarching projects (e.g., multiple subcontractors under the same prime or program, all of which have the same customer), have this step performed prior to case assignment and is completed by an individual designated by the supervisor or team lead.

(1) Pursuant to DFARS 212.102(a)(ii)(A), a prior CD made by a DoD contracting officer, or adequate evidence that the same product or service was procured by DoD using commercial acquisition procedures under Part 12 of the FAR, will serve as a prior commercial product or service determination with respect to such product or service, unless the senior procurement executive of the military department of the DoD, as designated for purposes of Section 1702(c) of Title 41, U.S.C., determines in writing that it is no longer appropriate to acquire the product or service using commercial acquisition procedures.

(2) Before accepting a request for commerciality assistance, the CID Database must be checked for a prior determination. If the database includes a prior determination, obtain a copy and provide a copy to the customer. Refer to the Resource Page for information on the CID Database and on obtaining copies of prior determinations. If no history exists, identify this in the case file.

c. If the assigned individual determines that additional information is necessary to perform the review, then they should first try to obtain the additional information from Government and secondary sources. If the assigned individual is unable to obtain the necessary information from those sources, then they should request the information directly from the contractor or subcontractor. The assigned individual should not contact a subcontractor directly unless written permission is obtained in advance from the prime contractor. If the contractor or subcontractor does not provide the information, or the prime contractor declines permission to contact the subcontractor, then the assigned individual should raise the issue to their team supervisor, lead, (or to the CIG if the assigned employee is not a CIG employee), and the customer, to resolve the issue and decide how to proceed. The assigned individual will document the issue and resolution in their report.

- d. For Foreign Contractor Requests, see the Resource Page for guidance and information.

7.4. COMMERCIAL PRODUCT AND SERVICE SUPPORT CASE ACKNOWLEDGEMENT.

a. Once an individual has been assigned the case, they should contact the requestor to discuss the scope and negotiate an agreed-to due date. Once the scope and due date are established, the assigned individual must send a written acknowledgement to the requestor capturing the agreed-to scope and due date. Communication with the requestor should happen early and often.

b. If the assigned individual and requestor cannot agree upon the scope or due date, the assigned individual must notify the supervisor or team lead for assistance. The assigned individual, supervisor or team lead, and the requestor will then discuss options for providing value added support to meet the requestor's need-by date.

c. If the agreed-upon scope or due-date changes, then the assigned individual will document the changes in a new written acknowledgement outlining the revised work scope and/or due date and submit a copy to the requestor.

7.5. COMMERCIALITY REVIEW.

a. Commerciality Objective.

The objective of commerciality analysis is to make determinations on whether a product or service is commercial under one (or more) paragraphs of the "Commercial Product" and/or "Commercial Service" definitions in FAR 2.101.

b. Walk Through.

If needed, the assigned individual may contact the requestor to set up a walk through with the contractor or subcontractor. As noted above, the assigned individual should not contact a subcontractor directly unless they receive advance permission from the prime contractor. If performed, the walk through should be done as early as possible within the commerciality analysis process, and all assigned team members should be invited to participate.

c. Market Research.

The assigned individual will perform market research to obtain relevant information and to find relevant products or services available in the commercial-marketplace. See the DoD Guidebook for Acquiring Commercial Items on the Resource Page for more information. The market research hierarchy of data gathering is as follows:

(1) Government Resources.

The assigned individual should consult with cognizant CMO Specialists, pricing teams and other Government agencies such as National Aeronautics and Space Administration (NASA), Federal Aviation Administration, or a Program Office to obtain additional information required for the Commercial Product and Service analysis.

(2) Secondary Resources.

The assigned individual should use various resources (e.g., websites, catalogs, journals) to obtain relevant information to support the request. Examples of secondary resources can be found on the Resource Page.

(3) Fact-Finding.

When fact-finding with the contractor or subcontractor, sessions should be coordinated with the requestor.

(4) Contractor or subcontractor RFIs.

When RFIs are used, the requestor or local guidance should dictate the appropriate method. Team members should be consulted to minimize the number of RFIs. The requestor should be copied on all RFIs.

d. Commercial Product and Service Analysis and Recommendations.

Analysis must be consistent with the agreed-to scope of the request. The assigned individual is encouraged to utilize the DoD Guidebook for Acquiring Commercial Items and other CIG information located on the Resource Page.

(1) Analysis and Recommendations.

The analysis must be based on the requirements in FAR 2.101 for commercial products and services. It should be based on facts and quantitative data to the maximum extent possible, and it should include comparison of the products or services being procured compared to similar products or services that are commercially available. The assigned individual should identify the technique(s) used to perform the evaluation.

(2) Commerciality Recommendations to Support CIG Determinations.

The assigned individual will provide the commerciality recommendation and input to the CD-ACO. The CD-ACO will issue a determination based on the facts and analysis available.

(3) Other Than Commercial.

If a request for Commercial Product and Service determination is accompanied with a request for pricing assistance, the product or service is found to be OTC, and the analyst is unable to develop a price recommendation, then the assigned individual should follow the process in Paragraph 7.6.d.

e. Due Date Extension Requests.

The assigned individual must request supervisor or team lead approval to extend the agreed-to due date, and when approved, negotiate an extension with the requestor. Any extension must be documented in the case file.

f. Cancellation of Case.

The assigned individual must request supervisor or team lead approval to cancel an assigned case; non-CIG personnel should also coordinate cancellation with the CIG ahead of cancelling the case. Once approved, the assigned individual will draft a memorandum for record summarizing the reason for cancellation and any work performed prior to cancellation. The assigned individual must use the agency authorized capability to process the cancellation of the case.

g. Documentation received.

All documents obtained during the review must be uploaded to the case file at the location identified on the Resource Page.

7.6. PRICING REVIEW.

a. Analyses must be consistent with the agreed-to scope of the request. The assigned individual is encouraged to utilize the DoD Guidebook for Acquiring Commercial Items and other information located on the Resource Page.

b. Market research, pursuant to Part 10 of the FAR, must be conducted or obtained to support the determination of price reasonableness for commercial products and services. Price analysis based on commercial market prices (e.g., market quotes and sales) is generally the most effective method of establishing price reasonableness. Sources such as available commercial market quotes, sales, published catalogs or prices, etc., can often be obtained through market research and provide a basis for establishing fair and reasonable prices.

c. The analyst may use various price analysis techniques and procedures to recommend a fair and reasonable price. Examples of such techniques include, but are not limited to, the techniques outlined in FAR 15.404-1, Proposal analysis techniques, DFARS 212.209, Determination of price reasonableness, and DFARS 215.404-1(b), Price analysis for commercial and noncommercial items.

d. In limited situations, the analyst may be unable to develop a price recommendation. In such cases, the CIG or the non-CIG PCA may perform field pricing support as described in Paragraphs 4.4.d. through 4.4.j. Such analysis is documented using the Cost and Pricing Analysis Report Template located on the Resource Page (see Paragraph 4.5.a.).

e. Additional factors that should be considered when reviewing prices of commercial products or services:

(1) Terms and Conditions, which are especially important in services analyses.

(2) Certified cost or pricing data requirements, in instances of modifications per FAR 15.403-1(c)(3)(iii).

f. When the assigned individual requests technical assistance for pricing support, they will document the request, the agreed to due date, and the support provided in the case file. The assigned individual must address significant differences between the technical recommendation and the pricing recommendation in the pricing report and document the rationale in the case file.

g. The assigned individual must request supervisor or team lead approval to extend the agreed-to due date, and when approved, negotiate an extension with the requestor. Any due date extension will be documented in the case file.

h. The assigned individual must request supervisor or team lead approval to cancel an assigned case; non-CIG personnel should also coordinate cancellation with the CIG ahead of canceling the case. If cancellation of the request is required, the assigned individual will obtain the approval of the cancellation from the requestor and their supervisor or team lead. If the Commercial Product and Service support is performed by a non-CIG PCA, the non-CIG PCA must also coordinate with the CIG. Once approved, the assigned individual will draft a memorandum for record summarizing the reason for cancellation and any work performed prior to cancellation.

i. All documents obtained during the review must be uploaded in a case file to the location identified on the Resource Page.

7.7. PREPARE REPORT.

The assigned individual must prepare a well-documented report using the templates on the Resource Page, unless a different format is agreed to with the customer and/or supervisor or team lead. With supervisor or team lead approval, multiple reports can be combined into one report for the purpose of customer driven timelines and/or resource management efficiencies.

a. Apply Proper Markings.

All reports and other relevant documents containing CUI must be marked IAW Paragraph 3.3.

b. Document Deviations from the Original Request.

Document any agreed to deviations from the original request and/or deviation from templates.

c. Commercial Price Report (CPR).

The PCA must identify the methodology and data used to analyze price reasonableness and explain the basis of their recommendation. The PCA must use the CPR Template located on the Resource Page, including the appropriate report restrictions, unless a different format is agreed to with the customer and supervisor or team lead, or the supervisor or team lead has authorized the combination of multiple reports into a single report to meet the customer's needs.

d. Commercial Technical Analysis Report (CTAR).

The CTAR must identify the methodology and data used to analyze commerciality and explain the basis of the recommendation. The assigned individual must use the CTAR Template located on the Resource Page including the appropriate report restrictions, unless a different format is agreed to with the customer and supervisor or team lead, or the supervisor or team lead has authorized the combination of multiple reports into a single report to meet the customer's needs.

e. Draft Report for Review.

The assigned individual will submit a draft report to their supervisor or team lead for review and comment as appropriate. The assigned individual will ensure supporting documentation is uploaded to the agency authorized capability prior to submission of the draft report for review. When the support request is for a commerciality determination, the assigned individual will provide the CTAR to the CD-ACO.

f. CDs or OTC Memorandums.

The CD-ACO must prepare a well-documented determination using CIG's internal template, unless a different format is agreed to with the customer. The determination that a product or service is commercial must be reviewed and approved at a level above the CD-ACO for determinations based on the FAR 2.101 commercial product definition at subsections (1)(ii), (3), or (4) and determinations based on the FAR 2.101 commercial service definition at subsection (2). If the CD-ACO does not find that the product or service meets the commercial definition, then they must prepare a memorandum to document their conclusion ("OTC memorandum"), using CIG's internal template, unless a different format is agreed to with the customer.

g. Review and Approval of Report and Case Files.

The assigned individual's supervisor or team lead will review the draft report and case files and provide feedback as required. In situations where the supervisor or team lead, or a higher-

level individual, performs the analysis and prepares the report, approval must be obtained by a supervisor or team lead on the same level or one level higher than the preparer.

h. Signed Report.

All reports must be signed by the assigned individual and reviewed, approved, and signed (physically or electronically) by a supervisor or team lead. Review, approval, and signature by a supervisor or team lead signifies that the report's contents meet all applicable policy requirements and addresses the requirements of the Commercial Product and Service support request identified in the written acknowledgment.

7.8. COMPLETING COMMERCIAL PRODUCT AND SERVICE SUPPORT.

The assigned individual will document and maintain the information used in the analysis in a case file in the agency authorized capability. The case file must contain all documents and correspondence used or referenced in the response to the requestor. The case file must include a completed Case File Documentation Checklist and a Case File Index located on the Resource Page.

a. Submission of Report.

The assigned individual will send the price analysis report, technical analysis report (or pre-approved combined report), and/or CD, or OTC memorandum, including attachments, to the requestor. The final deliverables will be included in the corresponding case file. If the price analysis was performed by a non-CIG PCA, a copy of the price analysis report must also be provided to the CIG via the link on the Resource Page.

b. Information Received After Issuance of Report or Determination.

If additional information is received after completing the request that could impact the CD, OTC memo, or pricing recommendation, then the assigned individual will contact the customer for the next course of action and reference Paragraph 7.9.

c. Closure of Commercial Product and Service Support Case File.

Case files will be uploaded to the location identified on the Resource Page by the assigned individual. Cases will be reviewed and closed by the supervisor or team lead in the agency authorized capability.

d. CIG Determinations.

The CD-ACO must upload the CD and/or the OTC memorandums to the DoD CID database. Database information and instructions for submission are located on the Resource Page.

7.9. GO-BACK ASSISTANCE.

Go-Back assistance means assistance provided after issuance of a report and/or determination, when a customer provides new or additional data on a completed case (commerciality or pricing). Go-Back cases and any resulting reports must reference the original case number.

a. Receiving Go-Back Support Requests.

(1) The CIG Pricing or Engineering Lead, or CD-ACO, will perform workload acceptance of the Go-Back request IAW DCMA-MAN 4502-02, ensuring there is pertinent additional information to justify a further review.

(2) Go-Back Case Acknowledgement is performed IAW Paragraph 7.4. The Go-Back scope should be restricted to the scope of the original case, unless extenuating circumstances exist.

b. Go-Back Review Support.

(1) The objective of Go-Back Assistance is to make a determination on whether a product or service is commercial under one (or more) paragraphs of the “Commercial Product” and/or “Commercial Service” definitions in FAR 2.101, and/or to make commercial pricing recommendation(s), per the Go-Back request negotiated scope.

(2) After case assignment, the assigned individual should attempt to obtain any missing pertinent documentation and/or data. The responsibility falls on the contractor to provide any relevant data to support commerciality, though the assigned individual may use any relevant data source to complete the review.

(3) If a CTAR or CPR is required, the CTAR or CPR template, respectively, should be utilized unless approval is obtained from the supervisor or team lead. If a memorandum is more appropriate to deliver the negotiated Go-Back work scope, the assigned individual must receive approval from their supervisor or team lead and document the reasoning to utilize a memorandum vs. the CTAR or CPR template.

(4) Go-Back due date extension requests and cancellation of cases of commerciality review and pricing support are performed IAW Paragraphs 7.5 (e) and (f) and 7.6 (g) and (h), respectively.

(5) The assigned individual will send the memorandum, CPR, CTAR, and/or determination, as appropriate, including attachments, to the requestor. Each final report or memorandum will be included in the corresponding Go-Back case file.

(6) Closure of Go-Back Cases is performed IAW Paragraph 7.8.b; however, case file documentation uploaded to the agency authorized capability will include only those new documents necessary to complete the Go-Back analysis; the original case file will include the original case file documentation. A Proposal Adequacy checklist is not required for Go-Back

cases. The Go-Back case file must include a completed Case File Documentation Checklist and a Case File Index located on the Resource Page; these two documents will only apply to the new documents used in the Go-Back analysis.

(7) The CD-ACO must upload any resultant CD and/or other than commercial assessment to the DoD CID database. Database information and instructions for submission are located on the Resource Page.

7.10. RECORDS MANAGEMENT AND DATA INTEGRITY.

Refer to Paragraph 3.3. for CUI requirements, Paragraph 3.5. for records management, Paragraph 3.6. for data integrity requirements, and agency authorized capability user guide for fields applicable to this section.

SECTION 8: EAE

8.1. OVERVIEW.

DCMA has a responsibility to assist in precontractual efforts leading to a solicitation or award, pursuant to DFARS 242.302(a)(67).

a. Assistance that is provided before a solicitation has been issued is defined as EAE. The primary goal of EAE is to share DCMA acquisition insight with other agencies during the acquisition planning, strategy, and/or solicitation development phases. DCMA seeks to engage early in the acquisition planning phase to provide relevant information to facilitate the analysis of risk related to program, cost, and contract-type, potentially resulting in improved solicitations and reduced Procurement Administrative Lead Time. Improved solicitations lead to more effective, clearly written contracts and requirements for improved contractor performance, as well as efficient contract management and oversight. EAE also includes support for OTs during acquisition planning and/or solicitation development.

b. DCMA is focused on enhancing engagement with buying commands to improve contract administration business integration across the DoD enterprise. DCMA employees in every organization should strive to create positive DoD customer interactions to enable collaboration, foster information sharing so everyone remains informed on current conditions, and ultimately offer DCMA EAE support as appropriate. EAE is performed in three iterative phases: Receive Request, Research, and Inform.

8.2. DESCRIBING EAE.

EAE efforts may be proactive or reactive. EAE occurs when DCMA provides acquisition insight to assist a DoD customer in acquisition planning, strategy, and/or solicitation development. A DCMA employee's proactive engagement with customers may result in an EAE request, or a request may be received directly from a customer. Requests for support that do not meet the definition of EAE can still be supported but are not subject to the procedures in this manual Section. Some or all procedures may be used.

a. When customers request acquisition insight for presolicitation efforts, DCMA employees will use the EAE process to provide the information. As buying commands are preparing the acquisition plan, they commonly request assistance for the SOW, risks, costs, contract administration and contract type. DCMA can also provide insight in areas such as quality requirements, packaging and transportation requirements, and processing of nonconformances. Additional examples of EAE efforts are available on the Resource Page, in the EAE efforts Job Aid. This list is not all inclusive and other types of information may be provided upon request.

b. Acquisition insight constitutes historical information, data, knowledge, and experience that DCMA gathers during contract administration services (e.g., Corrective Action Requests, Contract Deficiency Reports, etc.). An EAE request is a request to provide that information but not a request for execution of a contract administration activity. Preaward requests for support

after proposals are received, such as field pricing assistance, TSN, or PAS, are not considered EAE, and this Section does not apply.

c. EAE is not used for routine customer requests for information that can be provided quickly, without significant effort or coordination. For example, if a customer requests readily available information on business systems or available billing rates, the recipient should assist the requestor by providing the information in the Contract Business Analysis Repository without following the EAE process.

d. If an employee identifies an opportunity for providing acquisition insight, the employee will engage with their chain of command. The chain of command will identify an EAE Lead who will engage the identified customer to determine if DCMA's insights are appropriate for their acquisition planning efforts. If the customer agrees, the EAE Lead will follow the process in Section 8.3.

8.3. RECEIVE REQUEST AND ASSIGN EAE LEAD.

Any DCMA employee may receive a customer request or identify an opportunity for EAE support through daily communication or otherwise.

a. The recipient of the request will identify if a request for support is EAE or if the request is a step in another contract administration service activity and is more appropriately aligned to another process. The recipient will ask the requestor if the solicitation has been issued.

(1) If the solicitation has not been issued, the recipient will proceed to Paragraph 8.3.b.

(2) If the solicitation has been issued, the recipient will provide information to the requestor but will not follow the EAE process herein.

b. The recipient will identify the office of primary responsibility (OPR) for the request by identifying if the acquisition is a sole-source or competitive acquisition.

(1) If the acquisition is a sole-source acquisition, the OPR is the CMO for the identified business segment that will be performing the contract. The recipient should identify the CAGE code for the business segment.

(2) If the acquisition is a competitive acquisition (or if the source is not yet known), the recipient will identify the OPR using the OPR Assignment guidance on the Resource Page.

c. The recipient will identify the EAE Lead, based on the OPR. The recipient will forward the request to the EAE Lead.

(1) If the acquisition is a sole-source acquisition, the OPR is the CMO and the recipient will identify the ACO as the EAE Lead using the Award Management Team application in Procurement Integrated Enterprise Environment for the CAGE code.

(2) If the acquisition is a competitive acquisition (or if the source is not yet known), the OPR and EAE Lead will be identified using the OPR assignment guidance on the Resource Page.

d. The EAE Lead will confirm that the request is EAE and not another contract administration service activity. The EAE Lead will confirm that the request was routed to the correct OPR. If not, the recipient of the request will forward the request to the proper OPR or EAE Lead.

e. The EAE Lead should coordinate the request with their chain of command to identify the most appropriate assigned individual for performance of the EAE duties. The chain of command may reassign the EAE Lead role as necessary.

f. The EAE Lead will enter the request into the EAE Tracker, link is available on the Resource Page. If the EAE Lead is reassigned, the EAE Tracker will be updated with the current individual.

g. The EAE Lead will perform Workload Acceptance on the request, using the process in DCMA-MAN 4502-02.

h. The EAE Lead will coordinate with the requestor to discuss the request. The EAE Lead should discuss the information that is being requested, the format of the deliverable, and the negotiated due date. The EAE Lead will update the EAE Tracker with the information.

8.4. RESEARCH AND INFORM.

a. Upon receipt of a request, the EAE lead will champion all EAE efforts. They will identify the data needed, coordinate with the owners of the data to gather the information, and consolidate it. This information might be generated or owned by various DCMA functions, including the Contract Management Team, Regions, or Headquarters.

b. The EAE Lead will provide the information to the customer in the agreed-to deliverable format and by the negotiated due date. Data that DCMA produces or retains related to contractor performance should be considered as proprietary business information. The EAE Lead will ensure that any information provided to the requestor is marked IAW CUI requirements.

c. The EAE Lead will update the EAE Tracker with the results of the effort.

d. The EAE Lead should follow up with the requestor within 6-12 months to see if the information was beneficial, if the contract has been awarded, and identify if any additional information is needed.

8.5. RECORDS MANAGEMENT AND DATA INTEGRITY.

Refer to Paragraph 3.3. for CUI requirements, Paragraph 3.5. for records management, and Paragraph 3.6. for data integrity requirements.

SECTION 9: PAS

9.1. OVERVIEW.

a. This Section provides direction to manage and process PAS actions and Qualifying type efforts IAW:

(1) FAR 42.302(a)(32), which delegates the function to “Perform preaward surveys.”

(2) FAR Subpart 9.1., “Responsible Prospective Contractors,” which prescribes policies, standards, and procedures for determining whether prospective contractors and subcontractors are responsible.

(3) FAR Subpart 9.2, “Qualification Requirements,” which prescribes policies and procedures regarding qualification requirements and the acquisitions subject to the requirements.

(4) DFARS 242.302 (a)(67), which delegates the requirement to support program offices and buying activities in precontractual efforts leading to a solicitation or award.

b. PAS.

(1) A PAS is an evaluation of a prospective contractor’s capability to perform a proposed contract (See FAR 2.101).

(2) Types of survey requests received for execution include the following (Refer to Resource Page for additional information):

(a) Formal.

(b) Capability Studies or General Survey.

(c) Onsite Survey.

(d) Short Form.

(e) Informal.

(3) The PAS process.

(a) DCMA receives requests through the agency authorized capability. PAS and qualifying type request actions will be accomplished through use of the agency authorized capability (see Resource Page) or designated means and as appropriate for Special Programs and supporting agencies. Instruction will be provided when the automated solution is unavailable.

(b) CMOs receiving eight or more requests per year must designate a primary and alternate PASM.

1. For CMOs that do not meet the criteria, the PASM located geographically closest to offices will process and manage the survey requests.

2. Special Programs will designate representatives as POCs for preaward actions or to act as the PASM(s) for the Command.

(c) The PASM must designate an accessible location for general correspondence and the PAS log as identified in the PAS section on the Resource Page.

(d) The PASM must document prospective contractor debarment status IAW FAR 9.405 and DFARS 209.405, "Effect of listing."

9.2. ADMINISTRATIVE PROCEDURES AND EXTERNAL SUPPORT.

a. User System Access.

Internal and external users will gain access to the agency authorized capability IAW the process identified on the Resource Page.

b. External Agency Support.

DCMA relies on support from external agencies to provide expertise on Security, and Accounting Audits.

(1) Defense Counterintelligence Security Agency.

Defense Counterintelligence Security Agency is the designated agency to support the preaward process by performing the evaluation of the Security Capability Factor and providing reports to the PASM.

(2) DCAA.

The DCAA is the designated agency to conduct accounting system audits IAW their policy and regulations and provide a report to the PASM.

c. DCS.

A DCS is where eligible foreign governments or international organizations may contract directly with U.S. suppliers for the purchase of defense articles. DCS activities may be reimbursable IAW reimbursable agreements and are subject to the requirements found in DCMA-MAN 4301-12 and DCMA-MAN 2501-11.

9.3. RECEIPT AND REVIEW OF REQUEST.

a. PAS Request.

The PASM will receive and perform workload acceptance on PAS requests IAW DCMA-MAN 4502-02. The PASM will also review the request for adequacy and completeness IAW FAR 9.106-2. Solicitations, supporting drawings and/or specifications, and any information provided indicating prior unsatisfactory performance will also be reviewed. The PASM must also adhere to DCMA-MAN 2301-06, "Discrepancy Processing," and DoD Instruction 4140.67, and will tailor the appropriate strategy for compliance.

(1) The PASM will ensure that the appropriate type of survey has been initiated by the requestor. If the PASM determines that a different type of survey is more appropriate to meet the requestor's objective, the PASM will make the recommendation to the requestor. Refer to the Resource Page for survey type determination.

(2) During the review, the PASM will contact the requesting office when there is missing information, clauses, or specifications. The PASM may also be required to obtain clarification required for DCMA engagement. There will be opportunities where the PASM will be required to educate buying offices on how the agency executes the preaward process.

(3) If the PAS request falls under the SAT or will involve the acquisition of Commercial Product and Service (see Part 12 of the FAR, "Acquisition of Commercial Items"), the Contracting Office should not request a PAS unless circumstances justify its cost. Discussion should occur between the Contracting Officer and PASM during the review process and any required justifications must be provided in writing. This Section is not applicable when the solicitation requires ammunitions and/or explosives. See DFARS 252.223-7002 and DFARS 252.223-7003.

(4) An on-site survey must be performed when National Aeronautics and Space Administration and Navy Nuclear/Level 1 Subsafe or Nuclear Procurement Material requirements are involved, regardless of the dollar value.

(5) For requests received outside of the agency authorized capability, the PASM will provide the requestor with directions for accessing the agency authorized capability or current instructions on how to submit survey requests to the agency.

(6) The PASM will determine if prospective contractor is debarred, suspended, or ineligible IAW FAR Subpart 9.4, "Debarment, Suspension, and Ineligibility." If the prospective contractor is debarred, suspended, or ineligible, the PASM will advise the Contracting Office immediately and not proceed with the PAS unless specifically directed in writing by the Contracting Office IAW FAR 9.106-1(c).

(7) If the Contracting Office requests to participate in the survey, the PASM must clearly define DCMA's role as the lead in the PAS activity (See DFARS PGI 209.106-2, Requests for preaward surveys).

(8) The PASM will collaborate with the Contracting Office and the assigned DCMA functional specialist(s) to establish a realistic PAS completion date based on the scope, resources, travel, and/or other constraints. Revised delivery dates must be negotiated by the primary PASM and flowed to secondary or tertiary PASM, as appropriate.

(9) The PASM will assure that a serial number is assigned by the agency authorized capability. When automation is unavailable, the PASM will assign the serial number IAW instructions from the Preaward Survey System Application User's Manual, located on the Resource Page. The serial number will be a part of the report that is submitted to the customer. Special Programs will assign and track customer PAS requests outside the agency authorized capability and IAW internal tracking procedures.

(10) The PASM must maintain a log for all PAS efforts. The log will serve as an available list of survey actions to support data calls and/or requirements and for backup in the event of system failure. This log should consist of PAS Serial Number, solicitation, requesting activity, Department of Defense Activity Address Code (DoDAAC), bid package received date, request date, date acknowledged, distribution date, requested date of return, actual return date, negotiated date, reason for negotiation, date of request for negotiation, recommendation, dollar value, contractor, city, state, CAGE code, PAS Team Leader, factors due and returned dates, notes, type, kind, status, teams, POC, phone number, and email.

(11) In certain instances, a complete analysis may not be possible, and the report may have to be qualified by basing the recommendation on the data acquired in the time allowed. In these specific instances, the PASM will solicit an agreement with the requestor to provide supplemental data, such as accounting and financial information at a later date. The PASM will be responsible for coordination and forwarding any supplemental data.

(12) DCMA may receive precontractual requests to examine and test products for compliance with specification requirements in order for potential contractors, manufacturers, or suppliers to be qualified and listed on the QPL, QML, and QSL. When requested by a DoD activity, QPL, QML, and QSL qualification and/or testing must be accomplished IAW the instructions received.

(a) DoD customer requests for QPL, QML or QSL must be received and responses provided through the agency authorized capability or other designated means.

(b) If the request is received outside of the tool, the PASM will contact the customer to provide direction on how to submit the request to DCMA and assure that the customer has access to the agency authorized capability.

(c) The PASM will assist the requestor with identifying realistic activities, within scope and resource constraints, to include in the request in order to meet expectations, when necessary. Revised or extension of suspense dates should be coordinated among the requestor, PASM and supporting specialist.

b. Financial Capability.

(1) When the CMO PASM receives a PAS request that includes the assessment of the Financial Capability factor, the CMO PASM will accept the PAS. The primary PASM will assure that the FCT receives notification that a survey request has been received requiring action.

(2) The FCT supervisor or team lead will assign the request to the Financial Analyst.

(3) The supervisor or team lead and/or Financial Analyst will negotiate a suspense date with the CMO PASM in the instance that the provided date cannot be met by the analyst.

c. Foreign Government Requests for DCS.

DCS requests for PAS must be sent by the Foreign requestor to the DoDCCP International Contract Services Manager, IAW DFARS 242.002. The DoDCCP International Contract Services Manager will send the request via the Agency system of record to the cognizant CMO for forwarding to the PASM on behalf of a Foreign government or international organization requestor. For more information on execution of DCS requests, see Section 9 Resource Page.

9.4. EXECUTION OF PAS.

a. PASM.

(1) After ascertaining that the PAS Package is adequate, the PASM will coordinate with the appropriate supervisor, agency, or others, as necessary, on assigning the survey action to a supporting specialist.

(2) As required, the PASM appoints a PAS team lead for each PAS.

(3) The PASM must send the complete PAS package to the assigned Technical Specialist.

(4) The CMO PASM will obtain and send supporting documentation related to the PAS request (such as the solicitation) when requested by the FCT.

(5) The PASM must inform contracting officers and supporting specialists that DCMA's mission does not include assessment of the industrial security factor in the outside the continental United States environment, when necessary.

(6) The PASM selects a General Purpose or Capability Study as the survey type, if the requestor has not done so already, and Quality as the applicable factor for all 'Other' type of survey requests (e.g., QPL, QML, QBL, and QSL qualification and testing).

(7) The PASM assigns the factor to the appropriate Technical Specialist for all 'Other' type of survey requests (e.g., QPL, QML, QBL, and QSL qualification and testing).

b. PAS Team Lead.

The PAS team lead will:

- (1) Coordinate efforts to be conducted with other Technical Specialists.
- (2) Ensure that all Technical Specialists have a clear understanding of the requirements.
- (3) Request clarification from the CMO PASM when requirements are not clearly understood by any member of the team.
- (4) Host a pre-evaluation meeting with the PAS team. This can be conducted by telephone, and the PASM may also attend. At a minimum:
 - (a) Discuss scope of survey to include factors, customer specific requirements, solicitation, and any uniqueness.
 - (b) Establish each member's area of responsibility.
 - (c) Advise members that at no time must they pre-empt the onsite survey through discussions with the prospective contractor.
 - (d) Inform the team that questions on the solicitation or other PAS information will be forwarded to the PASM and the PASM will collaborate with the buying activity.
 - (e) Remind team members of their authority to ask any questions that they deem pertinent to the solicitation requirements.
 - (f) Advise team members not to discuss the findings of the on-site meeting with the prospective contractor (See FAR 9.105-3, "Disclosure of preaward information").
 - (g) Collect checklists and/or questionnaires from Technical Specialists and forward to prospective contractor to prepare for the survey meeting. Standard Forms referenced in FAR 9.106-4, "Reports," must not be sent to the prospective contractor.
- (5) Schedule the on-site visit with the prospective contractor.
- (6) Facilitate the on-site meeting and ensure that all factors and other required information (customer additional requirements) are addressed.

c. Technical Specialist and/or Financial Analyst.

- (1) Review the PAS requirements for the functional area to determine the effort required. If the PAS request contains clauses or requirements that are not required, notify the PASM.

(2) Coordinate through the PAS team lead for data requests or correspondence to the prospective contractor.

(3) The Financial Analyst will contact the requestor and/or offeror directly. All other specialists will communicate to the CMO PASM or through the PAS team lead when requirements are not clearly understood.

(4) Participate in preplanning meetings scheduled by the PAS team lead.

(5) Participate in the survey meeting by assessing their assigned factor.

9.5. REPORTING.

The report is a summary of the offeror's ability to perform IAW the requirements set forth in the solicitation. Information about report writing, interview techniques, questions, and tips can be found on the Resource Page.

a. PASM.

(1) Ensure technical adequacy of each functional report.

(2) Coordinate with supervisors to determine if and when supervisory reviews are required for supporting specialists' reports. In the situations where supervisory reviews are required, PASM will obtain the specific instruction(s) and review to assure that conditions were met prior to releasing the report to the requesting office.

(3) Review individual functional reports to resolve any discrepancies and ensure the facts and rationale fully support the conclusions and recommendations.

(4) Rejected reports must be returned to the Technical or Supporting Specialist.

(5) Evaluate each factor and indicate satisfactory or unsatisfactory based on the findings for applicable factors. If any factor has a potentially adverse bearing on another factor, an explanation should be included in the narrative detailing the interrelationship between the affected factors. A determination that any one factor is unsatisfactory must result in a recommendation for no award (See FAR 9.103, "Policy").

(6) Include previous unsatisfactory performance in the overall narrative if (e.g., engineering, inspection, or testing). The report must ascertain the extent to which the prospective contractor plans, or has taken, corrective action IAW FAR 9.106-4(c).

(7) In the instance of primary, secondary, and streamlined survey requests, the primary PASM must ensure that issues and contradictory information are resolved before providing a final recommendation to the buying office.

(8) Complete the report in the agency authorized capability and, when applicable, provide a recommendation IAW FAR 9.106-4(a).

(9) Include the PAS serial number in the report for identification.

(10) Include all relevant supporting documentation within the agency authorized capability.

(11) Return the survey to the requestor within the agency authorized capability. Special Programs will provide a hard copy report to the requestor.

b. FCT.

(1) The FCT analyst will submit the report to the FCT PASM or alternate for review and signature approval.

(2) FCT PASM or alternate will review the FCT report for accuracy and completeness.

(a) Rejected reports must be returned to the FCT analyst for rework and resubmittal through the agency authorized capability.

(b) Approved reports will be forwarded to the CMO PASM through the agency authorized capability.

c. PAS Team Lead.

The PAS team lead will:

(1) Hold a post survey Government meeting to discuss and exchange information gained during the survey.

(2) Resolve all conflicting information before finalizing the report.

(3) Complete and submit the report to the PASM using the agency authorized capability.

d. Financial Analyst and/or Technical or Supporting Specialist.

(1) The Financial Analyst drafts the report and submits it to the FCT supervisor or designee for approval.

(2) The Technical or Support Specialist drafts the report and submits it to the FCT supervisor or designee for review and approval.

(3) Complete and submit the report to the PASM using the agency authorized capability. When applicable, provide a recommendation.

(4) Upload all relevant supporting documentation into the agency authorized capability.

e. Other Requests.

(1) The Technical Specialist will draft a report to include a summary of actions performed and testing results, if any. The report will be submitted directly to the PASM using the agency authorized capability.

(2) The PASM provides a narrative in the agency authorized capability stating the task is complete. The prospective contractor is responsible for forwarding the results to the requestor.

9.6. RECORDS MANAGEMENT AND DATA INTEGRITY.

Refer to Paragraph 3.3. for CUI requirements, Paragraph 3.5. for records management, Paragraph 3.6. for data integrity requirements, and agency authorized capability user guide for fields applicable to this section.

GLOSSARY

G.1. ABBREVIATIONS AND ACRONYMS.

ACO	Administrative Contracting Officer
AQ POC	DCMA AQ point of contact
BoR	boards of review
CAGE	Commercial and Government Entity
CD	commercial determination
CD-ACO	Commercial Determination Administrative Contracting Officer
CID	commercial item determination
CER	cost estimating relationship
CIG	Commercial Item Group
CLIN	Contract Line Item Number
CMO	contract management office
CPR	commercial price report
CPC	Cost and Pricing Command
CPRG	Contract Pricing Reference Guide
CTAR	commercial technical analysis report
CUI	Controlled Unclassified Information
DCAA	Defense Contract Audit Agency
DCMA-MAN	DCMA Manual
DCS	direct commercial sales
DoDCCP	Department of Defense Central Control Point
DFARS	Defense Federal Acquisition Regulation Supplement
DFARS PGI	Defense Federal Acquisition Regulation Supplement Procedures Guidance and Information
EAE	early acquisition engagement
EMGC	engineering and manufacturing group chief
FAR	Federal Acquisition Regulation
FCT	Financial Capability Team
FPRA	forward pricing rate agreement
FPRR	forward pricing rate recommendation
IAW	in accordance with
NI	negotiation intelligence
ODC	other direct costs
OPR	office of primary responsibility
OT	other transaction

OTC	other-than-commercial
PAS	preaward survey
PASM	preaward survey manager
PCA	price/cost analyst
PCO	Procuring Contracting Officer
PGI	Procedures, Guidance, and Information
PNM	price negotiation memorandum
PNO	pre-negotiation objectives
PNOM	pre-negotiation objectives memorandum
POC	point of contact
QBL	Qualified Bidders List
QML	Qualified Manufacturers List
QPL	Qualified Products List
QSL	Qualified Suppliers List
RFI	request for information
RFP	request for proposal
SAT	Simplified Acquisition Threshold
SME	subject matter expert
SOO	statement of objectives
SOW	statement of work
TSN	technical support to negotiations
UCA	undefinitized contract action
U.S.C.	United States Code
WBS	work breakdown structure

GLOSSARY

G.2. DEFINITIONS.

Agency Authorized Capability	The IT solution required by the agency for specific processes.
Acquisition Insight	Information that aids in the planning or execution of acquisitions.
Assigned Individual	The individual responsible for a specific task, such as a pricing case, negotiation, TSN, or Commercial Product and Service determination.
CER	A mathematical relationship that defines a cost as a function of one or more parameters (performance, technical, or operating). This technique is used to estimate various elements of cost in the planning, budgeting, and performance phases of the acquisition process.
Cognizant ACO	An ACO, Divisional ACO (DACO), or Corporate ACO (CACO), that possesses authority and responsibility over the request.
Commercial Product and Service Determination	A written determination by a Contracting Officer that a product or service is commercial based on criteria established in FAR 2.101.
Cooperative Agreement	A legal instrument that, consistent with Section 6305 of Title 31 U.S.C., is used to enter into the same kind of relationship as a grant, except that substantial involvement is expected between the DoD and the recipient when carrying out the activity contemplated by the cooperative agreement.
DCS	One of the DoD Security Assistance Programs authorized by Section 2751 of Title 22, U.S.C., also known as “The Arms Export Control Act of 1976,” where eligible foreign governments or international organizations may contract directly with U.S. suppliers for the purchase of defense articles. A sale of defense articles or defense services made pursuant to a Department of State issued license by U.S. industry directly to a foreign buyer, and which is not administered by DoD through FMS procedures.

Definitization	The agreement on, or determination of, contract terms, specifications, and price, which converts an UCA to a definitive contract.
External User	Refers to any Buying or Procurement office initiating a support request to DCMA.
Functional Specialist	(1) Any DCMA personnel executing contract administration services within any career field. (2) Functional Specialists are personnel assigned to perform various tasks or functions in support of the Agency's mission (e.g., ACO, contract administrator, contracting officer representative, cost monitor, engineer, industrial specialist, IT specialist, packaging, quality assurance or transportation.)
Grant	A legal instrument that, consistent with Section 6304 of Title 31, U.S.C., is used to enter into a relationship in which the principal purpose is to transfer a thing of value to the recipient to carry out a public purpose of support of stimulation authorized by a law of the United States, rather than to acquire property or services for the DoD's direct benefit or use.
Internal User	Refers to a DCMA activity requesting support from another DCMA activity.
Preaward Survey	An evaluation of a prospective contractor's capability to perform a proposed contract.
Prior CD	A CD previously made on the same Product and Service currently under review.
Reportable UCA	A UCA with an estimated value exceeding \$5 million. Reportable UCAs must be included in the Consolidated UCA Management Plan and the Consolidated UCA Management Report.
Reportable Unpriced Change Order	An Unpriced Change Order with an estimated value exceeding \$5 million. Reportable Unpriced Change Orders must be included in the Consolidated UCA Management Plan and the Consolidated UCA Management Report.
Requestor	Customer, internal or external, that asks for DCMA's contract administration and preaward services.

Technical Specialist	Functional specialist consisting of personnel from job series 1910, 1150, or the 0800 series.
TSN Coordinator	The individual assigned to provide assistance to the Technical Supervisor or Lead in receiving and tracking TSN requests. TSN Coordinator responsibilities can be performed by the Technical Supervisor or Lead.
TSN Assist	A request for a technical evaluation to assist a field pricing effort.
TSN Only	A request for a technical evaluation only (no field pricing assistance requested).

REFERENCES

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United States Code, Title 10, Section 2371
United States Code, Title 15, Section 637
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